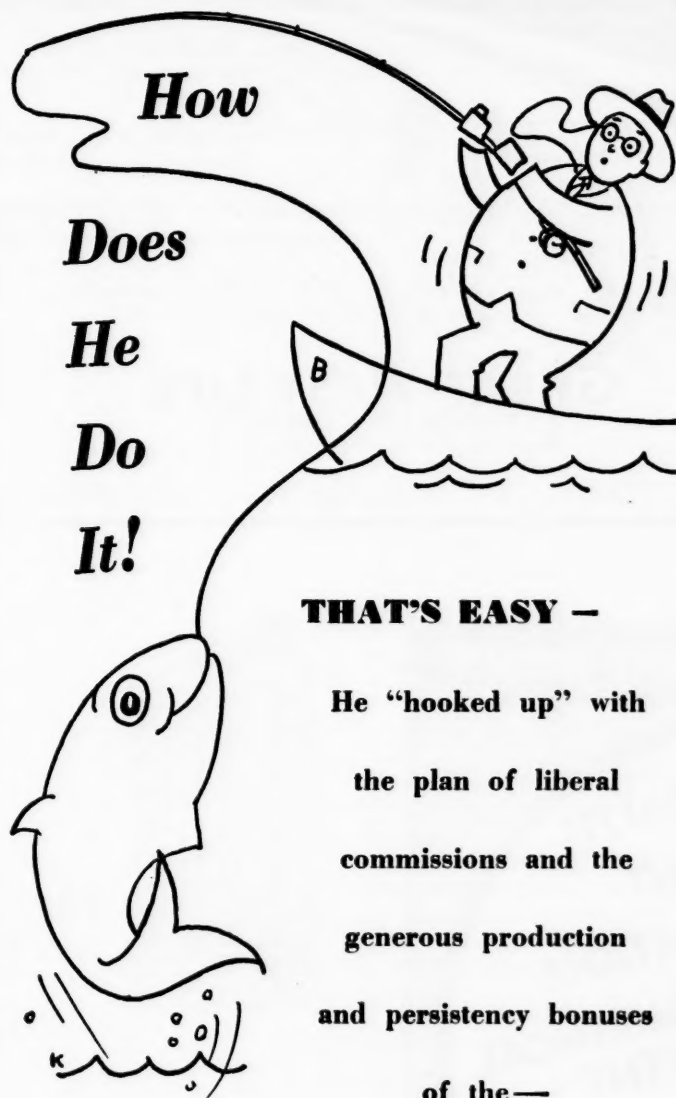


The NATIONAL UNDERWRITER

Life Insurance Edition



Banker's

NATIONAL LIFE

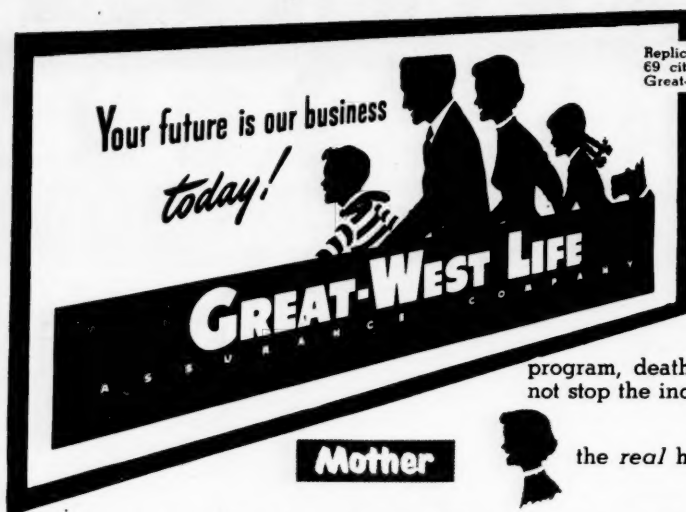
Insurance Company, Montclair, N. J.

RALPH R. LOUNSBURY, President

W. J. SIEGER, V. P. & Supt. of Agencies

LIFE • ACCIDENT • HEALTH • HOSPITAL

FRIDAY, AUGUST 11, 1950



Replica of "Billboard" showing in 69 cities in 1950 in support of the Great-West field force.

The Great-West Life representative is always busy, helping families provide future income out of today's income.

Dad



the head of the house, knows that thanks to a complete insurance

program, death, disablement, sickness or old age will not stop the income upon which his family relies and

Mother



the real head of the house, knows that her family and her home are secure and protected.

She knows, too, that through Great West Life, a college education is assured for the

Children



Pup



doesn't bite the Great-West Life representative because he's a real friend of the family.

The
GREAT-WEST LIFE
ASSURANCE COMPANY
HEAD OFFICE-WINNIPEG, CANADA

LIFE • GROUP • ANNUITIES • ACCIDENT & HEALTH

COMPLETE PERSONAL INSURANCE COVERAGE

"REGISTERED
POLICY
PROTECTION"

**LIFE HEALTH
ACCIDENT
HOSPITALIZATION
MEDICAL and SURGICAL
REIMBURSEMENT
GROUP
FRANCHISE
BROKERAGE
REINSURANCE**

**REPUBLIC NATIONAL LIFE
INSURANCE COMPANY**

THEO P. BEASLEY, President
HOME OFFICE DALLAS, TEXAS

Life Insurance in force exceeds \$300,000,000.00



The United States Life Insurance Company

This is the Centennial Year of a substantial growing company offering unusual opportunities to agents and brokers.

Our portfolio offers COMPLETE coverage in Life, Accident & Health, Hospitalization and Group policies. As an example, nearly a score of Accident & Health policies are included. Brokerage and surplus business are specialties of this company.

A new and unusual policy offered in the first year of our second century is the Centennial Income Agreement, embodying novel and highly salable talking points.

New ideas, new plans, new sales opportunities for alert and diligent agents, are giving The United States Life extraordinary growth. The years ahead hold great promise for this company and its associates.

**The United States Life
INSURANCE COMPANY**
IN THE CITY OF NEW YORK
84 WILLIAM STREET • NEW YORK 7, N.Y.



1850 • Our 100th Anniversary Year • 1950

Committee Adopts Report Backing Free Armed-Forces Cover

**Hardy Group Hits NSLI
as Inequitable, Inefficient,
and Costly**

WASHINGTON—The House committee on expenditures in executive departments has unanimously adopted the 68-page report of the subcommittee headed by Rep. Hardy of Virginia which proposes that Congress abandon the present National Service life insurance program as "inequitable, relatively inefficient, and costly" and substitute for it a cost-free life indemnity for all in the armed forces. The report was frequently critical of NSLI, calling it "more gratuitous than insurance."

The report said it would be "more just and more in keeping with the principles of democratic government to provide for all who may suffer death or total disability equal protection by gratuitous indemnity."

It also said that "it is recognized, in addition, that some protection should also be given to those who may have lost insurability through commercial companies for reasons traceable to their military service. Such a program would not only be more democratic by providing uniform protection, but would indeed be far less costly than NSLI both from a monetary and manpower standpoint and would remove the government from the civilian insurance business."

The report made it clear that existing NSLI policies are "definite, irrevocable contracts" that cannot be invalidated by the government. But it added there is no reason why the government cannot set a cut-off date for taking out NSLI policies and a deadline for converting outstanding term policies to a permanent form of insurance.

In addition, the report said, policyholders in the armed services could be given an option of continuing their NSLI or participating in the indemnity program.

These steps would mitigate the administrative cost per policy of NSLI, provide greater equality of participation and effectuate substantial fiscal savings, it said.

Since passage of the NSLI act in 1940 it has cost the taxpayers \$5,639,906,137, according to the report. Of the total, death claims due to extra hazard accounted for \$4,042,658,776.

Chairman Rankin of the House veterans affairs committee, who says that the Hardy report should be referred to his committee, is having a bill drafted to provide gratuitous life insurance as a substitute for NSLI, with a view to getting the reaction of government agencies and other interested organizations.

He said his committee is going forward in its study of service men's coverage on the possibility of a "new life insurance program."

As soon as reports are received from government agencies, veterans organizations and others interested, Rankin said, steps will be taken by his committee to develop a new program.

He expressed the hope that Congress will stand by his committee and not

(CONTINUED ON PAGE 16)

"Result" Clause OK'd by NAIC; Selection Tighter

**Commissioners' Committee
Withholds Decision on
"Status" Type Exclusion**

As a result of the two-day meeting in Chicago last week, a special subcommittee of the life committee of the National Assn. of Insurance Commissioners has put out a report with these recommendations:

1. That the so-called "result" clause be approved for use if submitted to an insurance department.

2. That the committee continue its studies as regards the merits of the use of the "status" clause. The committee feels it is not in a position now to make any recommendations on the "status" clause and hence is not recommending either its approval or disapproval. The companies are asked to analyze their experience under war clause provisions 1941-45 inclusive and submit this within the next 30 days. The Life Insurance Assn. of America and the American Life Convention be asked to notify their members so that the information may be furnished the committee through the two organizations.

Should Be Plainly Marked

3. That the approval of war clauses, including those containing aviation provisions, be subject to the requirements that any policy containing such clauses shall have printed across its face in red in capital letters "Read your policy carefully. Certain (war, aviation) risks are not assumed." (State which or both.) "In case of any doubt write your company for further explanation."

4. That a sub-committee be appointed to confer with a similar committee of the life insurance industry to draft advisory language for a model result clause for future guidance of interested companies. Chairman Harrington (Massachusetts) named himself and the Illinois and New York commissioners to the committee.

5. That the matter of maintenance of suitable accounts under war clause settlements, contemplating full or pro-rated payment of war claims if mortality (including full settlement under war clause restrictions) for the individual company would be no worse than its average for the five years preceding was clause approval, be referred to the sub-committee for further study.

No Conclusions on Atomic Deaths

The committee said that no conclusions had resulted from its consideration of the possible effects on mortality resulting from atomic warfare. It asks the industry committee to record its findings and submit them to the N.A.I.C. sub-committee for its consideration as promptly as possible.

Regarding war clauses generally, the reports point out that lack of uniformity of substance may well lead to unfair competitive selling and hence it becomes imperative that the language of any war clause should be such that it will not create a competitive advantage as between companies. If war clauses are to be used, they should provide the maximum protection to the policyholder consistent with sound underwriting principles in full consideration for the rights of all policyholders. It was the sense of the committee that war clauses to be attached to policies issued in the future should conform to the principles listed above.

The report observes that while study

(CONTINUED ON PAGE 16)

**Underwriters Shifting to
Greater Conservatism,
Use of Exclusions**

NEW YORK—The weight of company underwriting opinion is shifting toward increased conservatism and the use of war clauses is increasing.

Selection men in all companies have definite underwriting rules which limit their liability or the amount of term or riders involving it on risks exposed to or engaged in military service. In general the restrictions, which vary from company to company, require the use of war clause exclusions in policies issued to men in the armed services, in the reserves, or in draft age brackets. Some stipulate that the clauses will apply only to those in the service or who already have been alerted. Others are limiting the amount they will write on an individual to \$10,000 or \$5,000. A variation of this has been to issue up to \$10,000 unrestricted and apply an exclusion to amounts above that.

Early this week a survey of the 15 largest companies entered in New York showed that nine were not using war clauses and that six were using them on certain classes. Those not using the clauses were relying on selection procedures for protection.

How Companies Line Up

Companies not yet using a war clause include Metropolitan, John Hancock, New York Life, Travelers, Northwestern Mutual, Mutual Life, Massachusetts Mutual, Penn Mutual, and New England Mutual. Companies using an exclusion include Prudential, Equitable Society, Aetna, Connecticut General, Mutual Benefit Life, and Connecticut Mutual.

Commissioners are trying to prevent war clauses from becoming a competitive sales tool. By Sept. 1 the N.A.I.C. may come up with a model clause which companies will be expected to adopt for uniform application.

The New York department has withdrawn its approval of status-type clauses and, in a letter this week, requested companies to refrain from using them, notwithstanding prior approval pending the report of the N.A.I.C. committee.

The letter stated that a uniform clause should apply to all policyholders of a company wherever they reside. Present laws prevent this in a number of states.

The letter from Superintendent A. J. Bohlinger said the department was prepared to approve "results" clause forms.

Equitable Applies It to All

Equitable Society has announced its decision to insert in all new policies a war and aviation exclusion similar to that approved by the New York department. It is the first and the largest company to use an exclusion on all issues.

Several days after the Equitable announcement no bandwagon for such a universal exclusion had developed.

Even with companies limiting amounts they would write, a midsummer production boom has developed. There is much more shopping around of business in the brokerage market. Early intentions to use war clause selling only as a closing point have proved to be volatile. They disappeared in many agencies in the heat of scare selling which was created as much by the pub-

(CONTINUED ON PAGE 16)

Insurance Men Put on Sawyer's Essential List

**Defense Department Will
Use Classification as
Guide in Call to Colors**

WASHINGTON—Insurance companies are included in a "tentative list of essential activities" promulgated by Secretary of Commerce Sawyer in connection with the partial mobilization in which the nation is engaged.

Sawyer said the list was requested by the Defense Department, "as a guide for calling up for active duty members of the civilian components of the armed forces."

"Major Group 63" on the Sawyer list includes "life, accident and health, fire and marine casualty, surety, title and other companies operating as underwriters of insurance."

Credit agencies other than banks are also included among essential activities.

Critical Occupations

On the same day, Secretary of Labor Tobin issued a list of "critical occupations," which included various types of engineers such as are employed by insurance companies.

Tobin said his list was also prepared for the Defense Department, and selection of specific occupations was made on the basis of three major considerations:

a. Demand in essential industries and activities for persons qualified to work in the occupations would exceed the total supply under full mobilization.

b. Minimum training time of two years, or equivalent in work experience, is necessary to satisfactory performance of major tasks in the occupation.

c. The occupation is essential to functioning of industries or activities in which it occurs.

Secretary Sawyer said his listing was based on selection of activities (1) directly contributing to production of war materials, (2) necessary for maintenance of war production, (3) essential for the maintenance of national safety, health and interest.

Observers say insurance comes in under two of these categories, and probably all three.

Use of Classification

These lists and the classification of men with relation to them are expected to be used in connection with the draft, the calling of reservists, of whom some 60,000 have just been notified, and the National Guard, with respect to deferment of individuals.

However, National Defense announces all deferments will be handled on an individual basis. Deferment may be sought both by individual workers and by their employers in behalf of the former and in the interest of maintaining work in essential lines of activity.

Criteria for delay in call to active duty in the reserves include that the man is engaged in (1) a civilian occupation listed by Labor as critical and in (2) highly essential activity necessary to the national health, safety, or interest as defined in the Commerce list, or (3) that he is engaged in a key position in essential activity necessary to

(CONTINUED ON PAGE 16)

Lynch in Last-Ditch Fight to Include Disability in SS

Measure Held Up by Truman's Objection to Knowland Amendment

WASHINGTON—In a letter to all other House members, Rep. Lynch served notice that, if recognized by the speaker, he would move Thursday to recommit the social security bill conference report to the conference committee with instructions to it to insist upon the House provision for total and permanent disability insurance and to reject the Knowland amendment.

The amendment provides that the Secretary of Labor may not find that a state unemployment compensation law fails to conform to the federal act if he has once approved a particular state act, unless the state law has been amended in the meantime. This would prevent the federal government from withdrawing approval merely on the basis of administrative actions on the part of those entrusted with carrying out the state's law.

Lynch said in the letter he had "too much respect for the integrity and wisdom and political sagacity" of conferees on the bill "to believe they would let the bill die through inaction", if his motion were carried.

Knowland Amendment Is Snag

Social security legislation is tied up in a snarl between the President and members of Congress over disposition of the Knowland amendment, put on the bill, H.R. 6000, in the Senate at the behest of the California Senator. The conference committee on the bill retained the amendment over protests of some House conferees. One of them, Rep. Lynch, New York, refused to sign the conference report.

The conference report had been tentatively scheduled for House action late last week, but that body got involved in a tangle over emergency controls legislation. Also, administration leaders wanted time to line up support for President Truman's position against the Knowland amendment. There were hints the bill would be vetoed unless that provision were eliminated.

Early this week, social security was slated for action by the House on Thursday or Friday, with the prospect that Lynch, if not Rep. McCormack, majority leader, would move to send the bill back to the conference committee, instead of adopting the report of that body. Adoption of this motion would serve notice on the Senate that the House would have none of the Knowland amendment.

Rejection Would Peril Passage

On the other hand, senatorial members of the conference committee who are strongly opposed to the amendment say its rejection by the House would mean delay in social security legislation, and that a presidential veto would kill it for this Congress.

The President called in Democratic congressional leaders and asked elimination of the Knowland amendment, or that at least it be revised materially.

Besides the Knowland amendment, the President reportedly objects to failure of the bill to provide a permanent and total disability insurance program integrated with OASI, although it does provide for federal help to disabled persons under the public assistance program.

Foster Prudential 2nd Vice-President

Kenneth C. Foster has been elected by Prudential as 2nd vice-president of its ordinary agencies department. He has had 12 years of Prudential service. He will assist Sayre MacLeod, vice-president, in the general administration of the ordinary agencies business.

All his business career has been in insurance. While attending college he was with North British (fire) and later gained experience with Guardian Life and the insurance department of Long Island Lighting Co. He joined Prudential in 1938 as an assistant manager in Newark. After army service he became manager of field service in the home office and, in 1948, superintendent of agencies.

Prepare for Canadian Superintendents Meeting

The advance agenda has been prepared for the annual conference of Assn. of Superintendents of Insurance of Canada. The meeting will be at Niagara Falls, Ont., Oct. 23-25, and on Oct. 26 and 27 there will be executive sessions. Headquarters will be the Brock Hotel.

The meeting will open with the presidential address of J. A. Young, Saskatchewan superintendent, followed by reports of the valuations, annual statement, and life legislation committees. On the first afternoon licensing and regulations of agents will be discussed by Georges LaFrance, Quebec.

Tuesday morning will be given over to fraternal insurance and in the afternoon insurance law revision will be taken up by R. B. Whitehead, Ontario. On the third day, auto legislation and auto assigned risks will be discussed by Mr. Whitehead and Herbert Hunter, Manitoba.

Mutual's Regional Meets Are Listed

Mutual Life will hold its annual educational and business conferences of officials and more than 400 leading agents on the subject of career building as follows:

Southern division members National Field Club, Aug. 17-18 in Roanoke, Va.; Top Club, highest honor group, New York City, Aug. 28-31, when "field underwriter of the year" will be selected. Guest speakers will include Denis B. Maduro, attorney and J. S. Seidman, accountant, New York; and Hugh Kemp, Peoples First National Bank & Trust of Pittsburgh.

Central division National Field Club will meet at Detroit, Aug. 22-23; western division at Spokane, Sept. 6-7, and eastern division at Swampscott, Mass.,

Occidental Plan on Hotel Workers Covers Itinerants

Occidental of California has written a health and welfare plan on 12,000 workers in downtown hotels in Chicago under which it covers itinerant workers. The coverage is written through the trustees of the hotels and the members of the AFL restaurant employees. The plan is non-contributory and covers \$1,000 group life, A. & H. weekly benefits of \$20, hospital allowance of \$8 per day, special hospital services to \$400 and surgical fees to the amount of \$300, \$5 at home or office or \$3 for hospital calls of physicians and special polio payments up to \$1,500. Itinerants are listed and hourly contributions are taken, satisfying premiums on a pay-month audit basis.

Clarence F. Pease has been promoted to assistant manager for Prudential in San Bernardino and Riverside counties.

Senate Group Drops Tax on Installment Yield

Senior Body Also Deletes Retroactive Levy on Life Companies

WASHINGTON—The Senate finance committee has voted to eliminate the House tax bill provision to tax income the interest element in installment life insurance proceeds payments. In a statement read before the Senate finance committee by Treasury Department General Counsel Lynch, Secretary Snyder endorsed President Truman's recent recommendations for a new interim tax program and said, "the provisions of the bill for the taxation of the life insurance industry become increasingly more important as other segments of the economy are required to pay higher taxes."

After referring to one or two other proposals, the statement said "the significance of these measures extends beyond their immediate revenue effect. If imperfections are permitted to survive in our tax laws, increasingly large amounts of revenue will be lost. Inequities under present circumstances would tend to reduce taxpayer morale."

In an accompanying table, the "five year effect" of the proposed life insurance company provision is estimated to increase revenue by \$63,100,000. A footnote explains "estimates affecting income taxes are based on levels of income estimated for the calendar year 1950 and take into account interrelated effects of changes in corporation and individual income tax liabilities."

Based on the proposal for taxing life insurance companies' net investment income, the table contains an estimate of increase in revenue from life company taxation of \$129,200,000 for the fiscal year ending June 30, 1951, over revenue under existing law.

In its consideration of legislation, the Senate committee accepted section 46 of the House-passed bill, on income taxation of life insurance companies, with an amendment, however, making the new formula applicable to 1949 and 1950 income, as previously approved by the Senate in the so-called Doughton bill.

The latter measure, as passed by the House, would apply to life companies' net investment income for 1947 and '48 as well. It is still pending in a conference committee of the two houses. Senatorial members of which are strongly opposed to attempting to tax income of those earlier years on account of the retroactivity.

After action on the Doughton bill, the House and its ways and means committee inserted its provisions in the general tax revision bill, where it will doubtless be decided. Meanwhile, the Treasury has extended until Sept. 15 the time limit for life companies to file 1949 tax returns.

Tetley San Diego Chief

Business Men's Assurance has appointed J. W. Tetley as district manager at San Diego. He has been with B. M. A. since 1938. He was president of the Grant Club in 1943 and president of the Life Club in 1945. He takes the place left vacant by the death of Robert Sanders.

Case Is Pa. Manager

DES MOINES — Bankers Life Casualty has appointed James A. Gooch as manager here, succeeding Meredith C. Gooch, who has been transferred to Philadelphia as state manager.



The Job is What You Make It

The profession of the life underwriter is truly consonant with dignity and distinction. Nevertheless the profession is colored by the character of the individual fieldman.

There is a sort of fieldman who operates at high pressure, who substitutes boldness for tact, who covers his insufficient preparation with quick sales and hasty retreats. But this version of The Underwriter is a member of a vanishing race, belonging to a past era, and heading for extinction. In short, he does not render his work as a profession.

On the other hand, there is the man who is a product of modern underwriting background. This background consists of company training courses ranging from six months to four years, life insurance marketing courses presented by major American Universities, and the CLU study course which crowns the underwriter's career with prestige.

This latter type of fieldman is a true professional, one who works intelligently and surely, and one who will travel with the industry as it climbs to new levels of success and importance in modern financial life.

Insurance in force July 1, 1950 — \$451,618,665

COMMONWEALTH

LIFE INSURANCE COMPANY

LOUISVILLE

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Boston Financial Man to Be N. E. Mutual President

O. Kelley Anderson to Succeed G. W. Smith, Who Will Be Chairman

George Willard Smith, since 1929 president of New England Mutual Life, has been elected to the newly created position of chairman and O. Kelley Anderson, 43-year-old Boston financial executive, has been elected president. Sharing the executive and administrative direction of the company, they will take over their new posts Jan. 1.

Mr. Anderson is president and director of Boston Fund, Inc., and president and a trustee of Consolidated Investment Trust. He has been a director and member of the finance committee of New England Mutual for nearly four years. He will become president on a full-time basis.

Anderson an Iowan

Born in Lamoni, Ia., and graduated from University of Iowa in 1927, Mr. Anderson received his master's degree from the Harvard school of business administration in 1929. His first business association was with the Stone

and Research Company, the investment manager of Boston Fund, Inc.

"Since joining our board early in 1947," said Mr. Smith, "Kelley Anderson has had many special assignments and has been an unusually hard-working member. Besides his contribution to the weekly meetings of our finance committee, he has rendered valuable service on other committees of the directorate and has taken a broad interest in the nation-wide activities of the company."

"He has participated in company conventions and meetings in various parts of the country and has represented the directors on many such occasions. When the growth of the company and the pressure of affairs made it logical for us to look for a younger man to assume the presidency and share the heavy responsibilities of company leadership, Kelley Anderson was the obvious and unanimous choice of the directors. His acceptance has made me, personally, very happy indeed."

Mr. Smith is New England's fifth president. During his administration assets have more than quadrupled and now exceed \$1.1 billion, while insurance in force has increased nearly 2½ times to more than \$2.8 billion. He is a leading figure in the life insurance business and was president of Life Insurance Assn. of America in 1946.



George W. Smith

November, Not April for '51 Midwest Managers Rally

Breaking with a 13-year tradition, the newly-appointed 1950-51 mid-west management conference committee of the Indianapolis managers last week voted to shift the 1951 meeting from the customary April date to Nov. 2-4.

G. E. Steigerwald, Prudential, Indianapolis, labelled it as "an experiment in an attempt to clarify the spring meeting picture, which has become seriously crowded in the past two or three years." Mr. Steigerwald said he referred

not only to the many company meetings at that time of year, but also to several new spring management conferences which have been initiated recently. The November meeting will be held at the French Lick Springs hotel, French Lick, Ind.

Everybody Gets a Raise But C. F. J. Harrington

A bill to increase the salary of Commissioner C. F. J. Harrington of Massachusetts from \$8,500 to \$12,000 was rejected in the Massachusetts house by a roll-call vote of 118-85. Mr. Harrington's term expired early in April. He has not been reappointed to the office but neither has a successor been named. This turn-down of a salary increase was in the face of house action approving pay increases for nine other state officials. At about the same time Governor Dever was signing legislation for salary increases for 17 state department heads.

Pacific Mutual Cancels Conventions in Line with Tighter National Economy

Pacific Mutual Life has cancelled all its conventions scheduled for the remainder of 1950 in keeping with the tightening national economy. President Asa V. Call said "plans and actions in line with the rapidly altering world situation should already be under way and the fact that they must inevitably include some sacrifice should not be a deterrent."

Affected are conferences at Mackinac Island Aug. 23, Estes Park Aug. 28 and Victoria, B. C. Sept. 10.

Companies' "Ad" Campaign Changed in Light of War

Need for Sound Economy Held to Be More Vital Than Ever

NEW YORK—Copy changes in the advertising program of the life companies, designed to strengthen the impact of these messages in view of current international situation, were announced this week by Holgar J. Johnson, president of the Institute of Life Insurance.

"The theme of the campaign has been broadened to emphasize protection of the purchasing power of the dollar," he said. "An additional factor in the program will be support of all efforts to cut non-military expenditures by the government and to resist the inroads of inflation."

Mr. Johnson said that international developments give emphasis to the importance of the current advertising program. "More than ever before," he said, "it is vital that our national economy be kept sound."

Inflation Is "Sixth Column"

The first revised advertisement, headed "Two Battles To Win!" will emphasize the responsibility of every American to fight "the enemy's sixth column—inflation—here at home."

"It was also believed that the life insurance business should go on record to the American public at the earliest possible date," Mr. Johnson said. "Consequently, three messages have been scheduled to appear in 425 daily newspapers throughout the United States, the weeks of August 14, 21, and 28 successively."

"We believe that these changes in copy will keep the campaign as effective as originally planned, and that it will serve the best interests of our nation as well as our policyholders and our business."

Tell Why Claims Are Denied

NEW YORK — Insurers, and self-insuring employers, have been asked to be more public-relations-minded in explaining to employees why claims for New York disability benefits have been disapproved. As an example, Miss Mary Donlon, chairman of the workmen's compensation board, says in a claims bulletin that it is insufficient to state merely that a claim is rejected because "disability began before July 1, 1950." The employee knew when his disability began when he filed his claim, she points out, suggesting that an explanation be added telling him that disability incurred before that date bars a claim for disability continuing afterward. "He usually would not have filed his claim if he understood this," her letter states.

Swain's Hat in Ring

Delaware Commissioner William J. Swain will be a candidate for the Republican nomination to retain his post, which would be his third term.

Upsala College Course

NEWARK — Upsala College, East Orange, N. J., will start an evening insurance course to run from Sept. 20 to Jan. 25. The course will cover life insurance, property coverage, life and casualty agency organization.

UNDERSTANDING

One of our men was on vacation in a part of the country where he had difficulty penetrating the complexities of the local accent. He was standing at a filling station while two natives carried on a long conversation the subject of which he could not fathom. Along came a fourth man who when appealed to gave the answer to the subject in argument. And that was the first time that the first man became aware that the subject had been life insurance and insurable interest.

The problem of the local accent is not arguable. In his own home territory no man can be considered to have an accent. It is the visitor who should conform.

Here is a case where two men outside the life insurance business could carry on a long conversation about life insurance which a life insurance man could not understand. Sometimes the reverse is true: a life insurance man talks about life insurance in such a way that the listener fails to know what he is talking about.

THE PENN MUTUAL LIFE INSURANCE CO.

MALCOLM ADAM

President

INDEPENDENCE SQUARE, PHILADELPHIA



O. KELLEY ANDERSON

& Webster engineering firm in Boston. In the early 30's he helped organize Consolidated Investment Trust and the Boston Fund, becoming president of the former in 1935 and the latter in 1939.

Success Leads to Recognition

His success in building these organizations has led to wide recognition and membership in the directorates of many businesses. He is chairman of American Felt Co., and director of United Merchants and Manufacturers, Inc., Daniel Green Co., Saco-Lowell Shops, Transcontinental Pipe Line, Inc., and other financial and industrial companies. He is a trustee of the Boston Lying-in Hospital and of Wellesley College. Relinquishing many of his outside affiliations, Mr. Anderson will retain some trusteeships and continue as a director of the Boston Fund. He will also maintain his interest in Boston Management

LIAMA Study Reveals Premium Paying Habits of Insured

HARTFORD—The adult buyer of ordinary today tends to pay his premiums more times per year than the 1942 buyer, according to L.I.A.M.A.'s third publication in the 1949 buyer series.

Average number of premiums a year for those buying from the ordinary agent has increased from 3.1 to 3.7 in the last seven years. There has been a decline in the proportion of policies paid for semiannually with a corresponding increase in the proportion paid for quarterly and monthly.

For sales made by the combination agent, the principal change since 1942 has been a decrease in the proportion of policies paid for quarterly with an accompanying increase in monthly types of business. Excluding debit business, the average number of payments per year made by the combination agent's buyers is 3.9, only slightly higher than the average for sales by ordinary agents.

Is Last of Three Reports

Buyer report No. 3 examines characteristics of the beneficiary and the sales transaction and answers the questions: For whom do they buy? How do they buy? and What happens after the application is made? This is the concluding report in the adult buyer series; the first two are: "Who Buys Ordinary Life Insurance?" and "What Do They Buy?" Now in preparation by L.I.A.M.A. are studies of the juvenile market, and special studies that will include one on the characteristics of the insured and insurance for placed and not-taken policies. The complete buyer study is the most comprehensive project of its kind ever to be undertaken.

Studied for the first time and reported in the third installment is the factor of proportion of premium paid with the application. More than half of the ordinary agent's buyers pay no cash with their applications for insurance, L.I.A.M.A. finds. Cash payments of \$25 or more are made by only 23% of the male buyers and 19% of the women buyers. But for about one-third of the policies, the entire first premium is paid with the application. When cash is paid with the application, the amount tends to be directly proportional to the size of the policies. Policies with no cash accompany the application tend to be slightly larger than the average, but there appears to be no other indication of a relationship between size of policy and ratio of cash payment to premium.

Figures for Debit Agents

Discounting debit ordinary policies which must be applied for with an accompanying cash payment, the proportion of policies sold by the combination agent without cash is 51% for males, 48% for females. For more than half of the policies (including debit) sold by combination agents, the entire first premium is paid with the application. There appears to be a tendency for the ratio of cash to premium to be smaller for the larger size policies. These differences from the ordinary agent's experience seem to be due to the effect of the combination agent's debit policies.

The "How Do They Buy" section of this report also shows that 71% of the sales by ordinary agents to males are made by full-time agents who write ordinary life only. For females, this figure is 74%. For all adults buying from ordinary agents, the volume proportion sold by full-time ordinary agents closely agrees with the number proportion. These findings are very similar to those of 1942.

Brokers, however, sell larger-than-average policies. For sales to men, brokers account for 6% of the total number and 8% of the total volume. For sales to women, the figures are 6% and 9%. The average sale by brokers

to males is \$9,150 as compared with \$6,580 for all other sales to males and to females \$3,300 as compared with \$2,330.

MOST NAME WIVES

For whom do they buy? Married males buying insurance from an ordinary agent name wives as beneficiaries in 90% of cases; 89% of married women elect their husbands as beneficiaries. In the combination agent's market, these figures are 98% and 93%. There is, however, a relatively marked tendency for females in both markets to name children alone as recipients of life insurance benefits. In both markets, the male policies which name the spouse or spouse and children are above average in size.

Fifty-seven percent of males and 48% of females buying from ordinary agents name a contingent beneficiary. L.I.A.M.A. found that male policies which name a contingent beneficiary, although larger in size than those which do not, are not so much larger as might be expected. There is no difference in the average policy size for women who do or do not name a second beneficiary. The combination agent, although less likely to sell policies naming a contingent beneficiary, sells larger policies when this provision is included. The average policy sold to men by combination agents in which a contingent beneficiary is named is about 1½ times as large as the average policy in which none is named.

Business Cases Twice Average Size

Business insurance sales to men form a small proportion of the ordinary agent's total sales by number—5%—but they account for 11% of the volume. The average business insurance policy is well over twice the average size of policies issued for other purposes. Business insurance is a negligible part of the ordinary agent's female market (1%) and of the combination agent's market (1%), but of course, business insurance policies are exceedingly large.

Ordinary and combination agents score about equally in having policies issued as applied for (87% and 89%). Policies on the lives of females have a better experience (92% and 87%) than those sold to males. For ordinary agents, this is about the same as 1942, but there is a decrease in proportion of policies issued as applied for by combination agents.

Males are more likely to refuse to accept an issued policy than are females, the report shows. Policies sold by ordinary agents are somewhat more likely to be refused than those sold by combination agents. This probably reflects, to some degree, a tendency on the part of the ordinary agent to apply for alternate or additional policies. Within each group, there is a tendency for the not-taken policies to represent a larger proportion by volume than by number and to have a larger average size.

Sullivan vs. Crane

Frank Sullivan, Kansas commissioner, won the Republican nomination for commissioner by a large majority over Eunice R. Hyre, Lawrence, a former department employee. Lawrence R. Crane, John Hancock, Wichita, won the Democratic nomination over Rex Allen, Kansas City. Mr. Crane, who entered life insurance in 1945 following five years with the air force, will oppose Mr. Sullivan in the fall election.

Leadership Training Rally

The principal officers of the St. Louis, southeast Missouri, and northeast Missouri life underwriter associations met

at St. Louis for a leadership training program. Missouri State President Seth Turk welcomed the group and vice president William King, presided. The discussion was led by John R. Buhr, Cecil Montague, Gordon Cantelon, Ray Tucker, Elmer Pounds, James C. Greene, C.L.U., Richard H. Bennett, and Adam Rosenthal.

Program of A. & H. Bureau Meeting Is Announced

The program has been completed for the annual meeting of Bureau of A. & H. Underwriters at Skytop, Pa., Sept. 25-27. Chairman of the meeting is Ray L. Hills, Great American Indemnity.

Commissioner Leslie of Pennsylvania and W. E. Kipp Indemnity of North America, chairman governing committee, will be followed the opening day by Alva Weaver, Jr., of Hartford Accident on the field man's viewpoint and Godfrey Day of Connecticut General Life on the claim man's viewpoint. F. G. Brown of Travelers will speak on beneficiary rights assignment and policy ownership, with discussion led by Mr. Hills.

R. B. Ely, 3d, of Indemnity of N. A. will talk on the California minimum benefits law and rules and D. C. MacEwen, Occidental Life, will lead the discussion. D. J. Moe of U. S. Life is leader of a discussion on students' insurance.

Corby Directs Underwriting Forum

The second day underwriting forum directed by Fred T. Corby of Home Indemnity will have F. M. Walters, General Accident, treating present practices in writing weekly indemnity up to percentage of earned income and what revisions in future practices will be made necessary by statutory disability or the increase in group coverage. Neil J. Brown of Hartford Accident will deal with possible increase in claims under the lump sum provision, since many companies have eliminated time limit for election of special lump sum indemnity. Also to be discussed are loss payments greater than under normal accrual of weekly indemnity payments and should lump sum payments be revised because of improvements in treatment for fractures and dislocations.

Whether present interpretation of important daily duty requires revision if partial disability experience is to continue satisfactory will be treated by H. L. Graham of Manufacturers Casualty. James W. Noel, Lumbermen's Mutual Casualty, will discuss the need for providing indemnity for loss of time after terminating of statutory benefits.

To Discuss Over-age Risks

Present requirements of A. & H. renewal apps on over-age risks and possible need of revising present practices will be reviewed by O. F. Siegmund of General American Life. Should present general requirement that disability commence in 20 days from accident be liberalized will be assessed by Robert W. Pope, Employers Liability, and possibility of need for larger indemnities for miscellaneous expenses under individual and family hospital expense policies by P. J. Burns of Royal-Liverpool. Discussion of medical expense will be handled by E. M. Ulrich of Pacific Mutual and Polio cover by A. P. Dowlen of Republic National. Mr. Pope will treat sports coverages.

The annual dinner will be Sept. 26 and the business session Sept. 27.

30 Attend Advanced Meet

The first institute of advanced underwriting held at Claremont (Cal.) College, covered programming, business insurance, taxes, estate analysis and pension plans. Thirty men attended the sessions under the direction of A. R. Jaqua, director of the Southern Methodist course.

Mass. Mutual Hopes to Avoid War Clause, Agents Told

WHITE SULPHUR SPRINGS—While Massachusetts Mutual has found it necessary to limit the amount of insurance to military personnel it is hoped that a war clause will not be necessary. President Leland J. Kalmbach said at a meeting of the company's Leaders Club here. He said it had also been found necessary to use an aviation exclusion provision.

Mr. Kalmbach said that company's field force had paid for \$144 million



L. J. Kalmbach



C. O. Fischer

of new ordinary in the first six months, a gain of \$14 million.

The theme of the three-day conference was the sales approach and panel discussions were held on organized activity, prospecting and individual sales ideas.

Chester O. Fischer, vice-president, addressed the group on "The Business of Life Is to Go Forward." He noted the changing and uncertain situation which exists in the world today and urged his audience to meet the challenge in today's market, be what it may, and to go forward.

Discusses Washington

Lucien Mercier, Washington, D. C. attorney, spoke before the Massachusetts Mutual C.L.U. Assn. luncheon and discussed the current Washington scene.

John Fisher, Canadian broadcaster, urged his audience to beware of stereotyped thinking.

Training Director C. L. McPherson introduced and explained 13 new package sales plans which are being offered to the field and gave a sample demonstration of one of the talks. Walter H. White and Henry E. Franzen, both of Chicago, presented a prospect-salesman skit on "Business Insurance—a Ready Market."

Mr. Fischer conducted a court of honor giving special recognition to outstanding accomplishments of field men. Mr. Kalmbach presented service emblems to the following, all of whom have been with the company 25 years or more: M. P. Hall, Albany; L. V. Freudberg, Washington; John Shambau, Duluth; L. E. Simon, Lloyd Patterson, and Donald C. Keane, all of New York City; D. H. Treleven, Grand Rapids; A. D. Whitaker, Providence; A. C. Wakeley, Rochester; Mrs. Mary Fisher, Memphis; E. J. Foster, Rochester; E. A. Coyle, Pittsburgh, and D. K. MacBride, Cleveland.

Describe Advertising Campaign

H. C. Flower, Jr., and M. F. Manson, vice-presidents of the J. Walter Thompson advertising agency, presented a slide film on the company's national advertising campaign which is to start in September. J. M. Blake, manager field service, and J. W. Yates, Los Angeles, chairman of the 100th anniversary committee for the general agents association,


(CONTINUED ON PAGE 10)



"Nothing in the world can take the place of persistence. Talent will not; nothing is more common than unsuccessful men with talent. Genius will not; unrewarded genius is almost a proverb. Education will not; the world is full of educated derelicts. Persistence and determination alone are omnipotent. The slogan 'Press On' has solved and always will solve the problems of the human race."

This quotation, by one of Vermont's most famous native sons, hangs in the offices of National Life underwriters all over the nation. We feel that the daily application by life insurance men of this compelling message has been a powerful force in selling the American people one of their most cherished possessions — family security through life insurance.

"SOLID AS THE GRANITE HILLS OF VERMONT"

NATIONAL LIFE 
Insurance Company • MONTPELIER • **VERMONT**

FOUNDED IN 1850 • A MUTUAL COMPANY : OWNED BY ITS POLICYHOLDERS

Cecil Woods Slated to Head A.L.C.

Cecil Woods, president of Volunteer State Life is the choice of the nominating committee of American Life Convention to head that organization when it elects officers in October. He would succeed S. J. Hay, president of Great National Life.



Cecil Woods

California-Western States Life; and T. A. Sick, president of Security Life of Nebraska for three-year terms on the executive committee to succeed themselves and also nominated George Avery White, president of State Mutual Life for a three-year term.

Anticipating Mr. Woods' election as president the committee named H. P. Skoglund, president North American Life & Casualty, to complete the remaining year of Mr. Woods' term.

Edwin W. Craig, president of National Life & Accident, is chairman of the nominating committee, other members being Dwight L. Clarke, president of Occidental Life; A. J. McAndless, president of Lincoln National; J. Howard Oden, president North American Reinsurance and Travis T. Wallace, president Great American Reserve of Dallas.

In its report the committee points out that additional nominations may be made from the floor.

Career of Mr. Woods

Mr. Woods was born in Shelbyville, Tenn., attended Sewanee Military Academy and the University of the South at Sewanee. His first position was with Farmers National Bank at Shelby-

ville. In 1922 he moved to Nashville and bought the state agency of Bankers Life of Iowa. He built this into one of the outstanding agencies of the company.

In 1935-36 he was chairman of the executive committee of the company's managers association and headed the Nashville Assn. of Life Underwriters in 1935-36. In 1937 Mr. Woods became manager of the real estate and mortgage department of National Life & Accident, resigning to become president of Volunteer State in 1939.

He has been a member of the A.L.C. executive committee since 1946. He was on its program committee for the 1948 and 1949 meetings and is its chairman this year. He served as state chairman of the war finance committee of Tennessee for 2½ years. He is a director of American National Bank & Trust Co. of Chattanooga and trustee of the Southern Research Institute of Birmingham and of the University of the South.

"OVERTIME" STATUS

Hearing Sept. 6 on Including Employers Contributions

WASHINGTON—Sept. 6 has been set for a hearing at the interdepartmental auditorium here before the wage and hour division to consider possible revisions or amendments of its requirements relating to employer contributions under employee profit-sharing plans or trusts and employee's welfare plans. Also set for hearing will be formulation of regulations governing the related subject of employer contributions under "bona fide thrift or savings plans," the department announced.

Inviting interested parties to appear and submit their views, Wage and Hour Administrator McComb stated the following questions will be considered:

What revisions should be made in Interpretative Bulletin Part 778, dealing with conditions required for the exclusion of an employer's contribution to a

welfare plan from the "regular rate" of pay, which is the basis of the overtime pay rate under the act?

Changes in Definition

What, if any, changes should be made in regulations defining and delimiting the term "bona fide profit-sharing plan or trust," pursuant to the act?

What provisions relating to "bona fide thrift or savings plan," as used in the act, should be adopted?

Insurance and pension interests have been concerned about some of these matters, in view of the possibility that some regulations under the act would interfere with pension and retirement plans and with the sale of such business.

As amended and effective Jan. 23 last, the act provides that employer contributions which meet the administrator's highly restrictive requirements for plans of the character referred to above may be excluded from the "regular rate" of pay.

Set Out in Regulations

The administrator's requirements governing bona fide profit-sharing plans or trusts are set forth in Regulations, Part 549. Requirements for welfare plans are contained in his interpretative bulletin on overtime compensation, Part 778. No regulations have been issued with respect to thrift and savings plans.

In calling the hearing, it was stated that experience since issuance of the requirements "has indicated the need for a review and re-examination of the provisions thereof, with a view to possible revisions or amendments."

Formal notice of the hearing appears in the Aug. 1 Federal Register. The department said that interested persons desiring to be heard must notify McComb by Aug. 24, submitting the name and address of the person who will appear; name and address of persons or organizations they will represent; the particular question or questions they will discuss; indication of the approximate length of time requested for their presentation. Written statements may be filed any time before Sept. 6.

Some 85% of Pacific Mutual Life's entrants in recent examinations of the Life Office Management Assn. Institute passed.

NALU to Hold Third Pension Conference At Detroit Sept. 7

Extending its national pension conference program into other large industrial and business centers, the National Assn. of Life Underwriters will sponsor a third conference in Detroit, Sept. 7. Henry S. Stout, John Hancock, Dayton, O., chairman of N.A.L.U.'s committee on industry development and information, will preside.

Earlier conferences were held in Chicago and Cleveland and attracted about 1,200 industrial and business executives, including attorneys, labor leaders, bankers and educators from the middle western states. The fourth conference will be staged in Pittsburgh later in the fall and further conferences are planned.

Speakers at Detroit

Speakers who will participate at Detroit will include Judd C. Benson, Union Central, Cincinnati, president of N.A.L.U., who will set the theme of the conference by discussing the underlying philosophy of pensions; William F. Drake, director of group annuity sales Prudential on the evolution of pensions and pension funding methods; William J. Casey, chairman of the board of editors of Research Institute of America, New York City, luncheon speaker, who will speak on the economic aspects of pension plans; Charles J. Whipple, chairman, Hibbard, Spencer, Bartlett & Co., Chicago, who will talk on "An Insured Benefit Plan," and Stefan Hansen, actuary Great-West Life, who will analyze the risks involved in pension planning.

Printed proceedings will be available later. Proceedings of the Chicago conference are no longer available, but a limited number of printed copies of the Cleveland proceedings may be obtained from N.A.L.U. headquarters at \$2 a copy.

Henry G. McLaurin, Aetna Life, is chairman of the Detroit pension conference committee and reservations for the meeting should be addressed to Miss Winifred Cornell, executive secretary Detroit Assn. of Life Underwriters, 622 Book-Cadillac Hotel, Detroit 26.

Metropolitan Health, Safety Education Output Is Huge

A sizable staff of health and safety specialists, copywriters, artists, supervisors, correspondents and clerks at Metropolitan Life devote their time to the continuous program of employee education to protect the health and safety of group insured employees. Metropolitan aims through its employee education program to keep the worker informed about health and safety through posters, pamphlets and articles in employee magazines. Today, each insured employee is offered a full 12 months' schedule which includes a poster and an employee publication article each month, plus six pamphlets at various times throughout the year.

More than 12 million posters were distributed in 1949 and some 3,000 employee publication articles were released each month.

Abraham M. Civin has been named agency supervisor of the Hoffman agency of Manhattan Life at Buffalo. He has been with Prudential, for 10 years as assistant superintendent in Rochester, N. Y.; with Curtiss-Wright in Buffalo during the war, with Continental Casualty in Buffalo, with the John Hancock. He has been teaching insurance, salesmanship, law, and economics, at the Bryant & Stratton business school in Buffalo.



Standard Life in June had the best month for new business in its history.

The first 6 months of 1950 showed a gain of 32% in written business and 26% in paid-for. Why? Policies that are modern and liberal—

1. The new "Increased Benefit at age 21" policy.
2. The new "Home Protector with Graded Benefits" policy.
3. Coupon Policies? We got 'em coming out our ears.

SEE STANDARD FOR SELLING "STANDARD PLUS" POLICIES

—Harry V. Wade

STANDARD LIFE INSURANCE CO. of IND.
INDIANAPOLIS, INDIANA

GENERAL AGENCIES OPEN IN Arkansas • Arizona • Florida
Illinois • Indiana • Kentucky • Louisiana • Maryland • Michigan
Missouri • New Mexico • Pennsylvania • Texas • West Virginia

A Company of Opportunity!

Someone has said there are four pre-requisites

FOR SUCCESS

1. Ability (Have the know-how)
2. Industry (Be a steady worker)
3. Honesty (Of course)
4. OPPORTUNITY (We supply that)

We have our problems and their solution provides our staff with unusual opportunities.

The way our SALES STAFF makes the best of their opportunities is continually

Creating new opportunities in the Home Office

THREE OPPORTUNITIES ARE NOW OPEN FOR UNDERWRITERS

1. Individual and Family A&H Underwriter
2. Ordinary and Industrial Life Underwriter
3. Group Life and A&H and Hospital Underwriter

HERE IS THE PICTURE YOU WILL ENTER

<u>MONTH</u> 1950	<u>PREMIUM INCOME</u>
JANUARY	\$ 1,882,754.75
FEBRUARY	2,135,711.35
MARCH	2,384,594.71
APRIL	2,337,681.25
MAY	2,615,877.46
JUNE	2,731,851.47

BANKERS LIFE & CASUALTY CO.

CHICAGO 30, ILLINOIS

EDITORIAL COMMENT

Management Skill Is Essential

The comment that "the two basic ingredients of an executive are technical competence and management skill, and the greater of these is skill," made by President Lawrence A. Appley of the American Management Assn. is especially appropriate because of the attention insurance executives have been paying in recent years to the development of management potential in their own ranks.

Mr. Appley points out that the argument has gone on for decades between two schools of thought and practice: Should managers be picked because of technical know-how and experience in the activity to be managed, or because of skill in planning, organizing, coordinating and leading human effort, what technical know-how they lack being provided in staff selection?

A combination of both technical competence and management skill is ideal but not always available. With two men, one with know-how only and the other with skill only, which would be selected?

He believes the major lesson of the

last war is that conclusively management skill is essential, while technical competence is highly desirable but not essential. Thus executives who had managed huge automobile plants were highly successful in producing tanks and planes. The makers of soft drinks loaded ammunition bags. And so on.

Another question is whether a person is born with management skill or acquires it. Mr. Appley's conclusion here is that the young man may have a natural talent for management and can learn faster, but he must learn if he is to reach full potential. The experience of Mr. Appley's association shows that what he learns is something more than specific procedures and techniques. Executives in retailing listen eagerly to the experience of those in manufacturing, production men learn from personnel men and vice versa. They are not acquiring strictly technical knowledge, because for that they would need to turn only to men in their own fields. It is skill in the art of management itself that they are picking up.

Capitalizing on Social Security

Daily press and radio newsmen make considerable use of lexicography in search of words meaning "large" whenever they have something to write or say about life insurance. By this time life insurance is accustomed to hear of itself as a giant, a colossus, a gargantuan, etc. Some of these references are complimentary and have a good effect in that they add to insurance prestige by building public confidence in its strength. Occasionally its size stirs the imagination of politicians or bureaucrats who see in it a new field to tax or conquer; \$60 billion is quite a target.

The asset figures of the business ought to be placed in their proper perspective. When related to the inflated dollar, to the income from production they are designed to replace, or to the vast protective and savings job that remains to be done, the life business is adolescent.

Life sales planners continue to broaden its base and prepare it for maturity. The growth of the business is phenomenal only when compared with other thrift institutions.

There are many reasons why its growth has outstripped the others. One of these is the resourceful, imaginative

planning that is being put into agency sales work. The latest example of proficiency on the agency side is the news that agency departments are prepared to launch one of their most extensive sales campaigns once the revised social security act becomes law. For more than a year the legislative aspects of the law's revision have been predominant. Now those problems properly retire from the spotlight.

In other businesses the sales preparation might have been neglected until the law took final shape, its last comma assuming position severely bent and frustrated after having been haggled over by countless legal minds. But it was months ago that agency sales promoters in alert companies went to work. A basic plan was outlined and continually improved as changes were made by Congressional committees. Dull descriptions of classes of persons affected were quickly changed into names of prospects for insurance. Hundreds of thousands of names were collected for direct mail campaigns and arrangements made for quickly turning out sales promotion material.

Salesmen in the field were given sufficient time to react to the plans and

offer ideas for improving them. Suggestions were not left dangling but were discussed and adopted or discarded. Implementation in the field of the plans that have been made is assured. Agents and general agents were consulted. This wasn't ivory tower sales management. Sales promotion men weren't harassed nor their imaginations stultified by official pessimism. Present full steam selling of record volume was continued. The business readied itself to capitalize on what could have been considered a sales dampener.

With these exemplary tactics in sales management life insurance seems destined to continue the rapid growth which surprises its competitors. Though it seems unlikely that all people one day will have all the life insurance they need, the sales planners are demonstrating that in any event they will be reminded that they need it. Perhaps they want life insurance to qualify for description by one of those adjectives which, for the present, considered in an objective light, may be regarded as exaggerations.

PERSONAL SIDE OF THE BUSINESS

Thervald C. A. Sorensen, agent for Prudential at Portland, Ore., has completed 25 years. He started with Prudential at Salem.

Charles E. Angell, assistant director of the Southern Methodist University course, has left on an extended speaking tour. He will visit underwriters' associations in Mississippi, Alabama, Georgia and North and South Carolina.

Fraser E. Pomeroy, general agent of New England Mutual Life in Detroit, is this month celebrating his 20th anniversary with the company.

Henry F. Chadeayne, controller of General American Life, is chairman of 16 special industry conferences

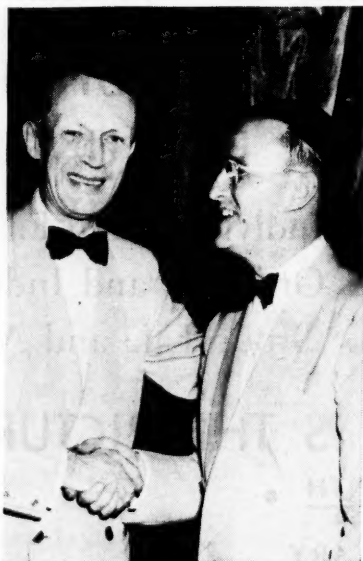
which will be part of the 19th annual meeting of the Controllers Institute of America in Chicago Sept. 17-20. **C. B. Lunsford**, auditor of Equitable Society, will preside at the conference of life insurance controllers.

While on a fishing trip in Lake of the Woods on the Minnesota-Canada border, **A. Herbert Nelson**, Minnesota manager for Business Men's Assurance, had a narrow escape from drowning. In company with Harold Stassen, president of University of Pennsylvania, and others, Mr. Nelson was on a fishing boat which hit a submerged rock and was taking water faster than it could be bailed out. It finally was beached on an island before the boat sank and the occupants were taken to the mainland in a row boat.

Warren W. Ellis, Prudential, Buffalo, N. Y., was honored at a banquet there marking his 35th year with the company. He received a gold watch.

Donald C. McLean, assistant director of selection National Life of Vermont, has been made a fellow of the Society of Actuaries.

In New Posts



James P. Fordyce (left), eighth president of Manhattan Life, and now its chairman and chief executive officer, congratulates **Thomas E. Lovejoy, Jr.**, new president. Announcement of Mr. Lovejoy's election was made at Manhattan's centennial dinner at the Waldorf-Astoria, New York City.

Ala. Shakeup Not Due to Insurance but Bank Row

The ousting of Brooks Glass as Alabama director of commerce and the appointment of D. E. Marley of Brundidge, is due, according to advices from Alabama not to any insurance controversy, but because Mr. Glass had refused in his capacity as superintendent of banks, to issue a charter to a proposed bank at Chickasaw.

Some had opined that the ouster was related to the fact that Mr. Glass was on the losing end of a court decision involving the installment payment plan on term fire insurance policies.

Mr. Marley was formerly president of First National Bank of Brundidge.

Ask Advisory Council

A group of life insurance executives in a two-day meeting at Purdue University, have recommended the formation of a national advisory council on life insurance underwriter education and to bring about closer co-ordination of institutional and company activities.

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Ex-T

Robert I. president of Underwriter Brooklyn. H



16 years and field more t part of his agent in N Mutual Life

E. A. Cr Champi

Ernest A. Crane & M western M Life at In olis, died at odist hospita after an illn three month had been Northwestern years and ha its general at Indian since 192 started with western Wayne in 19 Mr. Cran served four as trustee of Underwriters of the Ft. V dianapolis as apolis manag chairman of the Purdue c ilar capacity was a past Saddle Hors Mr. Crane establishing Many credit ing the scho year, Purdue story is that that Purdue the school h

NOTICE

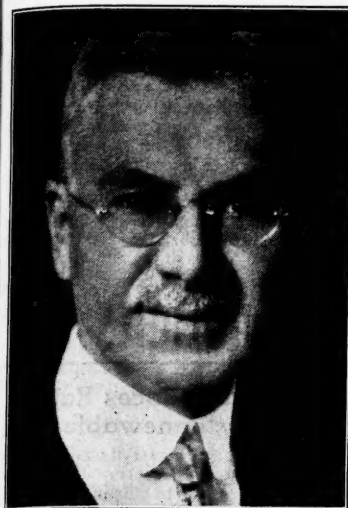
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THE NATIO Cir 420 E. Fourth

DEATHS

Ex-Treasurer Dies

Robert L. Jones, aged 81, former president of the New York City Life Underwriters Assn., died at his home in Brooklyn. He was treasurer of N.A.L.U.



ROBERT L. JONES

6 years and had been active in the life field more than 60 years. The greater part of his career was spent as general agent in New York City for State Mutual Life.

E. A. Crane, Purdue Course Champion, Dies at 63

Ernest A. Crane, 63, partner in the Crane & Morrison agency of North-



Ernest A. Crane

western Mutual Life at Indianapolis, died at Methodist hospital there after an illness of three months. He had been with Northwestern 38 years and had been its general agent at Indianapolis since 1928. He started with Northwestern in Ft. Wayne in 1912. Mr. Crane had served four terms as trustee of National Assn. of Life Underwriters and had been president of the Ft. Wayne association, the Indianapolis association, and the Indianapolis managers association. He was chairman of the advisory committee on the Purdue course and served in a similar capacity at Indiana University. He was a past president of the Indiana Saddle Horse Assn.

Mr. Crane had a major part in the establishing of the Purdue course. Many credit his salesmanship for saving the school when, after the first year, Purdue decided to drop it. The story is that when Mr. Crane learned that Purdue had refused to go on with the school he asked, "Have they said

'no'?" On being told that they had, he asked, "How many times?" "Just once," he was told. "Oh, only once?" he said. "Then it isn't decided at all. Let's go up and see them."

Then, when they talked to the president of Purdue, he said, "Well, I don't know that I approve of life insurance. It's awfully expensive." Mr. Crane walked over to the window and stared out across the campus.

"You know," he said, "you have a lot of buildings here—beautiful, fine buildings. They cost millions. Universities are awfully expensive. I don't know that I approve of them—but . . ." and he swung around from the window, "you know, Mr. President, we just have to have them, don't we?"

Mr. Crane's son Arthur was formerly in the life insurance business with him and later in Chicago but has recently left the business to go with a department store in Indianapolis.

MRS. JUANITA JENSEN EX-ERTER, wife of Hazen Exerter, general agent at Salt Lake City for Pacific Mutual Life, died at her home at the age of 46. She had been ill for about two years. She was an outstanding sportswoman and held several golf and trap shooting titles. With her husband, she filled a mission for the Mormon church in Hawaii from 1926 to 1928.

W. WALLACE CHISWELL, 77, founder and chairman of Peoples Life of Washington, D. C., died at his home in Washington. He had been ill for the past five years but until recently had been going to his office weekly. In 1903 he organized Peoples Life with two employees. It now employs more than 1,400 and has offices in five states and the District of Columbia.

EDWARD F. STENZ, vice-president and director of Superior Life, died at the age of 69. Mr. Stenz had been with the company for 38 years. He was a past president of Philadelphia H. & A. Alliance and active in Insurance Federation of Pennsylvania.

E. J. BROOKHART who was just recently elected president of Insurance Federation of Ohio, died Sunday at Celina, O., at the age of 69. He was secretary-treasurer of National Mutual and of Celina Mutual Casualty and was the organizer of these companies.

JAMES F. WESTON, 83, chairman of the board of Imperial Life of Canada, died at Fredericton, N. B.

FRED J. PEARSON, president of Hawaiian Life died recently in Honolulu.

M. A. SKINNER, 82, retired district manager for Equitable Life of D. C., died at Washington. He was with the company 46 years before retiring in 1934.

CARROLL H. ROBBIE, SR., 55, district manager of Penn Mutual Life at Lexington, Ky., died after a long illness.

MRS. FRANCES TATE, 75, Stanford, Ky., mother of William P. Tate, president of Independence Life of Louisville, died at Stanford.

EDWARD M. WYCHODZKI, 43, district manager for 23 years for Prudential at Buffalo, N. Y., died.

HOWARD S. RICHARDSON, 86, who became an agent for New York Life in 1891, died in a Philadelphia hospital. His 59 years of service with New York Life made him its second oldest active agent in point of service.

DR. LIONEL M. DAWSON of Unionville, former assistant superintendent of the medicine and hygiene department of Travelers, died Tuesday at Restland Farms, West Suffield, Conn. He had been with Travelers in that post for more than 20 years before retiring because of ill health in 1946.

Insures Unpaid Balances

DETROIT—Michigan Life, in collaboration with Citizen's Mutual Automobile of Howell, Mich., has worked out a plan of life insurance on car purchasers. The policy provides for insurance on a borrower covering the unpaid balance due at the time of the death. Citizen's Mutual agents will sell the policies.

New life insurance sales by Fidelity Life Assn. showed the greatest gain in July of any month this year. Total sales were \$631,000, up 41% over July, 1949.



It's the Sellingest

package in life insurance today. Western's new, exclusive, copyrighted Family Provider Plan. It gives so much for so little.

A few openings for personal producing general agents in California, Oregon, Washington, Idaho, Montana, North Dakota, Utah and Nevada.

WESTERN LIFE INSURANCE COMPANY

Helena

Since 1910

Montana

Assets \$ 38,851,575
Insurance In Force 176,029,850

R. B. Richardson
President

Lee Cannon
Agency Vice President

IF YOU ARE THE RIGHT MAN

You will be glad you saw this ad

(We need a State Manager in Montana)

The sixty-six year old Franklin Life, operating in forty states, the District of Columbia and the Territory of Hawaii, with over \$850,000,000 insurance in force, is about to expand operations into another state — Montana. The man whom we select as State Manager must have an exceptional background. He must have a record of successful personal selling experience, together with demonstrated ability to organize, and to attract and handle successful men.

If you feel that you are the man we want, and are ambitious to earn more money than ever before in your life, write us in strict confidence, giving full information about yourself.

THE FRANKLIN LIFE INSURANCE COMPANY Springfield, Illinois

One of the 15 oldest legal reserve stock life insurance companies in America

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When changing your address, please advise your postmaster and the National Underwriter four weeks in advance, furnishing both your old address (printed label on cover) and your new address in order that copies of the National Underwriter may continue to reach you without delay. This notification may be made by letter or post office card forms 22 and 225 respectively, which your postmaster will supply upon request.

THE NATIONAL UNDERWRITER

Circulation Department
420 E. Fourth Street, Cincinnati 2, Ohio

AMONG COMPANY MEN

National L. & A. Ups Nine Executives

National L. & A. has promoted nine of its home office executive staff.

J. M. Peebles, general counsel, is now also a vice-president. He joined National in 1915. He graduated from Vanderbilt and Cumberland Universities. He is veteran of the first war. He has held offices in local, state and national bar associations.

Douglas Henry, general counsel, becomes vice-president as well. He graduated from Vanderbilt and joined Na-

tional in 1926. He became a director in 1930, associate general counsel in 1936 and general counsel a year later. He was a state senator in 1927 and the first mayor of Belle Meade.

G. D. Brooks, manager of the investment department, also becomes a vice-president. A Vanderbilt graduate, he was with Caldwell & Co., Nashville investment firm, and the Third National Bank of Nashville. With National since 1931, he became assistant treasurer in 1934, and investments manager in 1939. He is a navy veteran.

E. P. Carrier of the legal staff is now counsel to the investment department. He joined National in 1942 after 17 years with Union Central. He grad-

uated from Vanderbilt and the Cincinnati Y.M.C.A. law school.

H. B. Gibbs, formerly assistant manager mortgage division, is now assistant vice-president. He started with National in 1921, joined the mortgage division in 1923, was made loan supervisor in 1939 and assistant manager in 1947.

W. C. Weaver, Jr., former assistant manager mortgage division, was made an assistant vice-president. He graduated from Vanderbilt and joined his late father in his wholesale hardware business. He is now chairman of the firm. He joined National in 1940 as loan supervisor and became assistant manager in 1947.

Webb Joined Actuarial Department

Edward C. Webb, formerly assistant manager bond division, is now an assistant vice-president. After graduating from Vanderbilt he joined the Fourth & First National Co. In 1933 he joined the actuarial department of National and transferred to the bond division in 1938, becoming a statistician in 1939. He became assistant manager in 1947.

Walter S. Bearden, Jr., formerly assistant secretary, is now assistant vice-president. Graduating from Vanderbilt in 1932 he joined National as an agent in Atlanta. He was an agent and assistant manager in New Orleans, Akron, Louisville and Inglewood, Cal. In 1935 he entered the actuarial department and later transferred to the agency department. Since 1939 he has been in the industrial department and in 1940 was made assistant secretary.

Clarence H. Berson, formerly assistant secretary, is now assistant vice-president. While attending Vanderbilt he joined National on a part-time basis and in 1933 he went to the field as an agent in Houston and later in Fort Wayne. He was promoted to traveling supervisor and later became a district manager in Houston. He entered the home office ordinary department in 1942. He was made assistant secretary in 1943.

Bankers, Ia., Names Schropp Assistant Medical Director

Dr. R. C. Schropp has been elected assistant medical director of Bankers



Dr. R. C. Schropp

Life of Iowa. He has been in private practice in Des Moines, following two years with the army medical corps in Hawaii. Before he entered the army in 1948 Dr. Schropp was resident pathologist at Mercy Hospital, Des Moines, for six months. He interned for a year at St. Louis City Hospital following his graduation from Washington University's medical school in St. Louis. His undergraduate work was at Iowa State College.

Eastlack Leaves Wis. Nat'l For Des Moines Post

Allen C. Eastlack, vice-president and actuary Wisconsin National Life, has resigned effective Oct. 1 to go with Bankers Security Life of New York as head of the actuarial and underwriting department of its Des Moines branch.

Mr. Eastlack joined Wisconsin National in 1929 as actuary and assistant secretary, becoming a director in 1938, and vice-president in 1946. He is a member of the Society of Actuaries. He started his business career in Indianapolis with Frank Haight, consulting actuary.



A. C. Eastlack

Capitol Makes E. W. Genens Ass't Director of Agencies

E. W. Genens has been appointed assistant director of agencies of Capital Life of Denver. Prior to joining Capital in 1949, he was home office supervisor for 10 years for Wisconsin National.

Mr. Genens is a graduate of the L.I.A.M.A. school and entered the life insurance business after many years as midwest district manager for the Studebaker Co. For the last 14 months he has been field agency assistant in Texas and Oklahoma.

Harold L. Bobeck and Franklin L. Mead, Jr., have been promoted to assistant managers of the mortgage loan department of Lincoln National Life.

Harry W. Castleman, Mishawaka, Ind., business man, has been named an advisory member of the board of directors of Wabash National Life.

POLICIES

Life of Va. Reduces Rates For Yearly Renewable Term

Life of Virginia has reduced its rates for yearly renewable term. This policy is issued at ages 18 through 60, and may be renewed for 14 years, but not beyond age 64. It may be converted at any time within 10 years, but not beyond age 60. The table below shows new annual rates per \$1,000 for this policy for ages 18 through 64.

Age	Prem.	Age	Prem.	Age	Prem.
18	\$5.88	35	\$ 7.06	55	\$22.44
20	6.03	40	8.40	60	33.25
25	6.29	45	10.85	64	45.34
30	6.53	50	15.33		

Broadens Aviation Cover

Connecticut General has broadened the benefits of its accident insurance on aviation pilots and crew members. Henceforth, the policyholders will be entitled to lifetime income indemnity for flying accidents, just as for accidents occurring on the ground.

Heretofore the company limited indemnity for loss of earnings to 200 weeks on accidents while flying. The change will be made in new aviation accident insurance contracts, and will also be applied on old policies having the aviation provision.

Gould, Kline Upped in N. Y.

William C. Gould has been appointed New York deputy superintendent of insurance. He fills the vacancy left by Alfred J. Bohlinger's recent promotion to superintendent. At the same time, Acting Deputy George H. Kline has been named deputy.

Mr. Gould has been with the department since 1926, when he was appointed an examiner in the rating bureau. Recently he has been chief of the mutual and fraternal bureau, having previously served as an examiner in the casualty bureau and acting chief of the mutual and fraternal bureau.

Mr. Kline has been acting deputy since April when he was named on resignation of Thomas C. Morrill. Mr. Kline was formerly special assistant to Superintendent Dineen.



J. A. Barbour, Jr.

James A. Barbour, Jr., who was recently appointed supervisor in the Chicago branch of Continental Assurance, was with Metropolitan for 14 years.

Offering—

REAL COOPERATION

to men capable of organizing and developing their own General Agencies. This may be the opportunity you have been looking for to grow with one of the fastest-growing life insurance companies in the United States.

Reserve Life offers all standard policy forms, plus Retirement Income, Juvenile Education, Mortgage Redemption, etc. Liberal non-medical limits; sub-standard facilities to 600 per cent. Complete tested mailings to help you build your business.

For full details on what this Company building for the Agency has to offer you, write to S. J. Gilbert, Vice President and Director of Life Agencies.

RESERVE LIFE INSURANCE COMPANY

HOME OFFICE: DALLAS, TEXAS

Participating and Non-Participating Contracts

GENERAL
AGENCY
OPPORTUNITIES



BROKERAGE
BUSINESS
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GIRARD LIFE Insurance Company

DALLAS, TEXAS

Opposit: Independence Hall
PHILADELPHIA, PA.

NATIONAL RESERVE LIFE

Topeka, Kansas

A few unusual opportunities open for liberal general agent franchises in states west of the Mississippi.

H. O. CHAPMAN, President

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COMPANIES

Begin Hawaiian Life Building

Construction of Hawaiian Life's home office building in Honolulu is scheduled to start this month. The six story building with a two story wing will be situated on about an acre of ground. It will be ready for occupancy next June. Hawaiian Life will occupy the entire second floor of both the building and the wing. The first floor is for stores and offices.

The building will be air conditioned throughout. A feature of the building is the vertical fins that will eliminate all direct sunlight and adverse weather from the five upper floors.

Project New Company at Ann Arbor, Mich.

ANN ARBOR, MICH.—Ann Arbor Life has been formed here and is expected to start operations this month. John Ames, former general agent for Lincoln National Life, is president. Other officers are: Vice-president, George H. Klein, Detroit attorney; secretary, Carl H. Fisher, associate professor of mathematics, University of Michigan; and treasurer, Rudolph E. Reichert, president Ann Arbor bank and former state banking commissioner.

Initial capitalization will be \$200,000 with a paid-up surplus of \$150,000. Mr. Ames said it is anticipated that total capitalization will be increased to \$1,250,000 within three to four years.

Record Profit for L. & C.

President Paul Mountcastle of Life & Casualty in a report to stockholders states that the largest six months profit ever recorded was made in the half-year period ending June 30. The profit was \$2,075,000. This compares with \$1,655,000 for the first six months of 1949.

There was an increase of insurance in force in the industrial department of \$8,215,000 which compares with \$909,000 for the first six months of 1949.

In the ordinary department, the increase was \$14,205,000 as against \$7,461,000.

Building Plans Halted

Plans of Northwestern National Life of Minneapolis to erect a new home office building in a residential section of the city appear to be stymied. A petition asking for a permit from the city for such a building failed to show the number of signatures of property owners required under the building ordinance. The company had purchased a 4.8 acre site overlooking Lake Calhoun for the building but this is in a restricted area.

Insufficiency of signatures is due mainly to some properties changing hands since the petition was circulated.

Awards H.O. Annex Contract

Pilot Life has awarded a contract for a \$750,000 annex to its building to Southeastern Construction Co., Charlotte, N. C.

The annex is scheduled for completion by September, 1951. It is to be five stories tall and 50 by 139 feet. It will be at the rear of the main building.

Canada Life has inaugurated a system designed to eliminate the sending of premium receipts to policyholders. Premium notices now have receipts attached to them which become official as soon as the policyholder sends in his remittance.

Republic National Life has been licensed in Minnesota, Kentucky, and North Dakota, and now is licensed in 11 midwestern and southwestern states.

RECORDS

Great-West Life's new business in July totaled \$21,164,000, the best for this month on record. Average monthly production continues at well over the \$20 million mark, with total business for the year being \$3½ million above the same period in 1949.

United American Life of Denver reports that new life business for the first seven months exceeded that of the same period of 1949 by 98.2%. July production exceeded that of July, 1949, by 184.6%.

Home Life of New York paid for \$9,042,228 of new ordinary in July, an increase of 39.4%. It was the company's second best July. Year-to-date production, \$64,352,243, is 21.5% ahead.

For the second consecutive month and the third time this year, **Occidental Life** set a new company record in written ordinary business when it received over \$54 million of new applications in July. The July total, representing the first time the company has written more than \$50 million of ordinary in one month, exceeded June, which was the best previous month, by nearly \$7 million.

Assets of **Berkshire Life** reached \$120,925,000, a gain of \$3,500,000 for the six months. Net earnings, after dividends, were \$550,000 and reserves and policyholders' funds increased \$2,675,000. Premium income was up about \$200,000 and income from interest and rents was up \$222,000. New life insurance sales were 12.2% ahead of the same period last year.

Jefferson Standard paid for \$21,794,755 in July, up \$8,700,000. It is \$4 million ahead of the previous record, made in December, 1947.

Old Line Life reports a gain of \$3,396,000 in insurance in force, totaling \$124,634,000 as of June 30, and an increase of \$23,840 in accident, health and hospital premiums, amounting to \$674,000 for the first six months. Payments to policyholders and beneficiaries were \$1,037,069.

AGENCY NEWS

Keane Honored on 25th

Donald C. Keane, general agent of Massachusetts Mutual in New York City, was honored at a dinner tendered him by members of his agency to celebrate his 25th anniversary as general agent. Speakers included President L. J. Kalmbach and Chester O. Fischer, vice-president.

E. Lloyd Mallon, co-general agent, reviewed the highlights and results of the anniversary campaign production effort in which all participating agents exceeded their self-assigned quotas individually and collectively by more than 25% for the year.

Agency members were represented by Million Dollar Round Table members Nathan S. Bienstock, who introduced the speakers and welcomed the guests, and Ralph E. Loewenberg, who presented Mr. Keane a testimonial scroll. Among the guests were Mrs. Keane, and Dr. Anthony H. Hansen, medical referee in New York.

Honor Nelson, Smith

A luncheon honoring J. Denny Nelson, former general agent for Aetna Life at St. Louis, and his successor, Walter W. Smith, was held at St. Louis. Representing the home office was Robert B. Coolidge, vice president.

Feted on 50th Anniversary

Members of the Central Wisconsin agency of Northwestern Mutual Life at Oshkosh celebrated General Agent M. A. Carroll's 50th anniversary with the company. He has been general agent there since 1926. George Wetengel, district agent at Appleton, was toastmaster at the dinner. Gordon Cameron, Neenah, presented Mr. Carroll a set of luggage from the agents and

Earle Bryant, Sheboygan, gave him a leather-bound book of testimonial letters from home office and field men. Erbin Harenburg, agency supervisor, presented 106 applications for \$512,000 of business in honor of the anniversary.

Talks were made at the dinner by Edmund Fitzgerald, president; Grant L. Hill, vice-president and director of agencies, and Louis Schriber, trustee.

Rosenthal Agency Outing

Six members of the Alan D. Rosenthal agency of Guardian Life at Chicago, and their wives, were guests of Mr. Rosenthal for a weekend at Beaver Lake, Wis., in recognition of the excellent production job they did in Mr. Rosenthal's first quarter as manager.

The July paid for business of the **W. Henry Blohm Agency** of Provident Mutual at Cincinnati exceeded all other agencies of the company.

Dominion Life has been licensed in Canada for A. & H. in addition to the classes for which it is already registered.

Zone 3 Fall Meet Is Slated for Oct. 16-17 at St. Louis

The fall meeting of the Zone 3 commissioners has been set for Oct. 16-17 at St. Louis. The chairman is Spalding Southall of Kentucky.

W. Ellery Allyn of Connecticut, president of N.A.I.C., will attend. Headquarters will be the Statler hotel.

Industry representatives planning to attend can make advance reservations with Powell McHaney, executive vice-president, General American Life, St. Louis.

Rummel Now L.O.M.A. Fellow

Harry J. Rummel, Connecticut General, has become a fellow of Life Office Management Assn. Institute. He majored in office management. He has been with Connecticut General since 1941 and is in charge of training programs in the group department.

Mr. Rummel was one of 47 Connecticut General employees to pass L.O.M.A. exams this year. Of the others, 13 successfully completed the four exams required for L.O.M.A. certificates.

I HAVE FOUND THAT...

**PAN-AMERICAN
AGENTS
GIVE THE BEST**

Service

Pan-American Agents have a real desire to serve their clients. What's more . . . they're armed with competitive merchandise, flexible underwriting, sales aids . . . all giving them a better chance at success.

By careful selection and training of its representatives, Pan-American's clients are served only by men and women thoroughly competent—trained to give intelligent insurance counsel. Their desire to serve is intensified by a plan for compensation which gives greater recognition to those who perform their work exceptionally well and render outstanding service.

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Superintendent of Agencies



CRAWFORD H. ELLIS
President

EDWARD G. SIMMONS
Executive Vice President

KENNETH D. HAMER
Vice President & Agency Director

**PAN-AMERICAN
LIFE INSURANCE CO.**

NEW ORLEANS, U. S. A.

LIFE AGENCY CHANGES

Equitable, Ia., Names Ondrejcka at Sacramento

William J. Ondrejcka has been appointed general agent for Equitable of Iowa at Sacramento, Cal., to replace Melville Newfield who has retired.

Mr. Ondrejcka has been with the Sacramento office since last February. Prior to that he was a unit manager for Fidelity Mutual Life at Primo, Cal., for three years. He is a naval air corps veteran.

Mr. Newfield has been with Equitable since 1935, when he took over the Sacramento agency. He has been in the business since 1930. After an extended

vacation he will return to the Sacramento agency as a personal producer.

Rohling Succeeds Klondike for Bankers at Nashville

Bernie J. Rohling has been appointed manager at Nashville, for Bankers Life of Iowa. He has been agency supervisor of Lamar Life for Tennessee. He succeeds Frank Klondike, who moves to Illinois to succeed J. M. McClennaghan, manager at Elgin, who will retire Aug. 31.



B. J. Rohling

When Mr. Rohling left the marine corps he became a partner in a floral business at Gallatin, Tenn. Five months later he became an agent for Lamar Life in Nashville.

wood, N. J. Mr. Little, who has been regional manager in the home office, will also supervise a sub-office at Nyack, N. Y. He joined Prudential at St. Johnsbury, Vt., in 1931, later becoming manager there. He was transferred to the home office in 1947. He is a marine corps veteran.

Emmert Retires, N. W. Mut'l Names Darling at Tulsa

John G. Darling of San Diego has been appointed general agent for Northwestern Mutual Life at Tulsa, Okla., effective Sept. 1. He will succeed Harry D. Emmert, who, because of his health, is retiring.



J. G. Darling

Since 1946 Mr. Darling has been a Northwestern Mutual district agent at San Diego. He joined the company as an agent in Milwaukee in 1933. In 1937, he was made agency supervisor. He headed the Milwaukee Supervisors Assn. in 1940. After war service he joined the John R. Mage agency at Los Angeles in 1946 as district agent at San Diego. He is immediate past president of the San Diego Life Underwriters Assn. and is president of the local C.L.U. chapter.

Mr. Emmert began his insurance career in 1911 with Northwestern Mutual at Muskogee, Okla. In 1921, he became district agent at Okmulgee, Okla., and eight years later an agent at Tulsa.

In 1931 he was taken into partnership and in 1935 became sole general agent. He has been active in the Tulsa Life Managers and General Agents Assn. and the local life underwriters association.

Names Hammond at Billings

Sutton Hammond has been promoted to assistant manager of the Montana agency at Billings for Prudential.

Mr. Hammond is a graduate of Montana State University. He joined Prudential at Billings in 1949. He served overseas with the army.

Prudential Names Baker

Francis A. Baker has been promoted to manager of Prudential's new Fresno district office. He joined Prudential in Waukegan, Ill., in 1937. He was promoted to assistant district manager in Chicago in 1941, transferred to Denver in 1943 and became staff manager in Fresno in 1947.

Travelers Promotes 16

Travelers has made 16 field personnel appointments.

William J. Murphy, assistant manager at Dallas, becomes manager at Sioux City, Ia. Frank W. Nee, who has been assistant supervisor, group sales promotion, at the home office, has been appointed district group supervisor at Cleveland.

Four group supervisors have been appointed. They are: Raymond E. Gilson, Jr., at Pittsburgh and Jerome G.

Hellings, Joseph R. Bily and Harvey W. Gleiser at Dallas.

Nine field assistants have been named. They are: John E. Brunner, Des Moines; Ronald N. Bassett, Toronto; John A. Pinchback, Atlanta; William L. Cooney, Charleston, W. Va.; Charles L. Gaskill, New York City; William M. Thomas, South Bend; Mac E. Hobbs, Indianapolis; Arthur L. Tryon, Jr., Hartford, and William K. Baker, Toledo. Glen Allen, field assistant at St. Louis, has been appointed in the same capacity to Oklahoma City.

Cowan Joins M. & M.

Robert L. Cowan has joined the Buffalo office of Marsh & McLennan as manager of the life, accident and group department. He has been assistant manager of Travelers' Buffalo office.

He is a C.L.U. and a director of the Buffalo Life Underwriters Assn.

Eastern Life Names Short

A. Norman Short has been appointed Delaware general agent by Eastern Life at Wilmington Manor. He started in the business in 1940 as an industrial agent of Peoples Life of Washington, D. C. In 1945 he joined Aetna Life continuing with the company up to July 1950.

Levie Anniston Manager

James S. Levie, superintendent at Florence, Ala., for Gulf Life, has been promoted to manager at Anniston, Ala. He succeeds John A. Seay, who is transferring to the company's regular ordinary division.

Prudential Names Kelly

Louis E. Kelly has been appointed head of Prudential's Detroit regional office, succeeding James G. Shuttleworth, who is being transferred to Chicago. Mr. Kelly has been with Prudential since 1930 and recently was appointed a director of agencies.

V. F. Gay has been appointed supervisor of the Leon Irwin agency of John Hancock in New Orleans. He has been with the agency since 1940. He was with the Red Cross in London during the war and has been secretary-treasurer of Louisiana Life Underwriters Assn., and a director of New Orleans Assn. of Life Underwriters.

William E. Gearhart has been named supervisor in the Columbus, O., agency of Ohio State Life.

Great-West Life has appointed D. A. Brimacombe supervisor at Edmonton, Canada. He graduated from University of Alberta in 1939 and has been with the Edmonton branch since 1945.

R. A. Carse has been appointed supervisor at Cleveland for Great-West Life. He joined Great-West at Edmonton in 1947, moving to Cleveland two years later.

Pioneer American has named David Schrage manager at Phoenix, Ariz.

A. Kimball Co., of New York City, has arranged with Mutual Life for a \$300,000 loan on a sinking fund note.

WANT ADS

Rates—\$12 per inch per insertion—1 inch minimum. Limit—40 words per inch. Deadline Tuesday noon in Chicago office—175 W. Jackson Blvd. Individuals placing ads are requested to make payment in advance.

THE NATIONAL UNDERWRITER

LIFE SUPERVISOR

Capable, experienced and qualified Life and Disability Supervisor to act as Regional Agency Superintendent for States of Illinois and Indiana out of downstate Illinois Home Office.

Old and growing Old Line Legal Reserve Company writing complete line of Life and Disability coverages, with many agencies already established but with plenty of room for further development.

Must be capable and willing to recruit and train new agents and aid in the further development of presently established agents and agencies.

Excellent salary and bonuses. Unlimited earning possibility.

Write full details of experience and qualifications to B-15, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

GENERAL AGENT WANTED FOR DETROIT

Here is an unusual opportunity for a man to build a lifetime career with an old-line eastern mutual life insurance company. The position is in Detroit—an established agency which has operated for 40 years. The agency is well and favorably known throughout the territory it serves.

The right man will have the quality of leadership, plus stability, integrity and the ambition to build an agency. He will receive complete Home Office cooperation and the benefits of an established training program as well as field-tested promotional material and sales aids.

Write, giving a complete account of yourself and your experience, to Box B-26, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill. The personnel of the Detroit office know of this opening and your reply will be held in the strictest confidence.

An agency executive with 25 years active Life-Accident & Health and combination company experience desires a connection with a small company where a financial interest and proven successful field operating management will be of mutual benefit to all concerned—Immediate income not of primary importance. Opportunity to build a profitable and growing company the main objective. Address B-17, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

LIFE INSURANCE SALES PROMOTION MAN NOW AVAILABLE —

Successfully operating dept.: life sales promotion, recruiting and visual aids, advertising, public relations, speech writing. Ideas, initiative, individuality. Ten years experience, top credentials, married, age 38. Ready for big assignment. Address B-23, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Ill.

Gannaway Little Rock G. A. for Paul Revere Life

Malcolm W. Gannaway, Jr., has been named general agent for Massachusetts Protective and Paul Revere Life at Little Rock. He succeeds John F. Barnett who has resigned to devote his time to personal production.

Mr. Gannaway entered insurance in 1939. He has been Little Rock general agent for Pyramid Life.

Zeigler Named in S. C. by Pan-American Life

Pan-American Life has appointed Edwin D. Zeigler as general agent at Florence, S. C.

Mr. Zeigler is secretary of Florence Life Underwriters Assn. He served in the navy during the war and entered life insurance with Protective Life and became a member of the Million Dollar Round Table his first year.

Liberty Names Malcolm

Robert J. Malcolm has been appointed manager of the Charleston, S. C., ordinary office of Liberty Life of Greenville, S. C. He has been a home office supervisor at Liberty Life since June, having joined the company at Greenville in 1948. He completed a year's training at the Southern Methodist course, leading his class in sales and winning two production awards.



R. J. Malcolm

Prudential Ups Little

John M. Little has been named head of Prudential's district office at Engle-



In ACCIDENT and HEALTH PROTECTION



INCOME DURING DISABILITY

★ World-wide protection and full coverage for both accident and sickness regardless of other insurance owned.

★ Income for hospital and nurse's expenses to \$750.00 a month—plus surgery benefits.

★ Life-time accident benefits and full monthly income for both confining and non-confining illness.

Represented only by full-time fieldmen

BUSINESS MEN'S ASSURANCE COMPANY

Quizzes

Insurance

A true-false quiz on the Solomon Benefit Life Insurance Co. as a sales aid in buying and selling insurance. The quiz is of interest in the question of the value of a policy and on the value of a policy. The quiz is for the use of agents and clients are not to be given. The quiz is for the use of agents and clients are not to be given. The quiz is for the use of agents and clients are not to be given.

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SALES IDEAS OF THE WEEK

Quizzes Prospects to Stimulate Interest in Insurance Funding of Buy-Sell Agreement

A true-false quiz has been designed by the Solomon Huber agency of Mutual Benefit Life at New York City for use as a sales aid in situations dealing with buy and sell agreements and programming. The quiz capitalizes on reader interest in the short self testing questions that appear in many magazines and on the assumption that prospective clients are no different. It has the agent go "psychological" when the sales procedure bogs down.

For maximum effectiveness, Mr. Huber suggests that the questions be neatly typed or processed on standard letterhead size sheets. An agent can arbitrarily select his own passing or failing standards. Since no one can really get a satisfactory grade the necessity for continuing the discussion becomes obvious.

The quiz starts with 10 questions to which the prospect is asked to answer "yes" or "no," followed by 18 true-false inquiries.

The queries are typed at the left side of the sheet leaving sufficient space at the right for the prospect to mark his answer.

Entitled "Self Quiz on Planning" the prospect is informed at the head of the first sheet "If you can check off 10 items under the 'yes' column, you are in fine shape estate-wise. One check mark in the 'no' column means that a review of your affairs is advisable. More than one check in the 'no' column makes such a review mandatory.

"In any event, an annual survey is a 'must' because of frequent changes in tax laws and income requirements." The "Yes-No" questions follow:

"Yes-No" Problem Raisers

- Are my policies free from attachment of creditors of my beneficiaries?
- Are my policies so arranged that income tax payments by my beneficiaries are either eliminated or reduced?
- Are my policies so set up that my insurance will still operate if I should by mischance lapse a policy?
- Are my policies arranged to eliminate court costs?
- Is my will coordinated with my policy planning as a result of my own attorney's guidance?
- Have my insurance companies issued written acceptance of proof of birthdates for me and my beneficiaries?
- Is my insurance so planned that the companies will pay out more than I am insured for?
- Am I certain that no child has been unknowingly disinherited?
- Is my insurance so arranged that it follows my own ideas, rather than those of an underwriter who has not made a complete study of my situation?

True-False Quiz

- The true-false section of the quiz follows:
- Should one of my associates die my personal income will be larger as a result of the elimination of his salary or drawing?
- This additional income after living expenses and taxes imposed on my top bracket will be sufficient to enable me to buy out his interest under an installment arrangement.
- I can easily borrow the money to buy out a deceased associate. My cost will be 4%; 5%; 6%?
- Should I borrow the required dollars, I must repay the loan.
- I can do this easily in installments because I will have sufficient income remaining after living expenses and increased income taxes due to my increased income.

Business Problems

- My widow can easily take my place in my business.
- My buy and sell agreement is so arranged that the commissioner of internal revenue will have difficulty in setting a higher value for estate tax purposes.
- The credit standing of my firm will be impaired at my death.
- The credit standing of my firm will be impaired at the death of an associate.
- My widow will receive the same income from my firm as I did.
- My death will not affect the business prospects of our firm.
- The death of an associate will not affect the prospects of our firm.

I am fully familiar with the estate tax consequences with respect to my business interest.

I am fully familiar with the possibility of income tax consequences should I sell out after the death of an associate.

My will is in harmony with the disposition of my business interest.

My life insurance is arranged in harmony with my will and my business interest.

I do not mind remaining in business with an associate's widow.

I do not mind remaining in business with the new husband of an associate's widow.

Business Insurance Figures

Business insurance sales to men form a small proportion of the ordinary agent's total sales by number—5%—but they account for 11% of the volume, according to the latest L.I.A.M.A. buyers survey. The average business insurance policy is well over twice the average size of policies issued for other purposes. Business insurance is a negligible part of the ordinary agent's female market—1%—and of the combination agent's market—1%—but business insurance policies are usually large, according to the study.

Issue Rules in N. C. on Life, A. & H. Loan Cover

RALEIGH — Commissioner Cheek has issued 14 regulations applying to combinations which apply to life, A. & H., hospitalization and disability insurance written in connection with loans, the regulations being designed to protect small borrowers from being "loaded" with unnecessary insurance. The regulations are effective Sept. 1.

Mr. Cheek said he has not yet completed work on other regulations concerning automobile policies, but it is likely that these too will be made effective Sept. 1.

Regulations just announced give the department full access to information in the small loan field and provide that the department must approve all policy forms, applications, premium receipts and endorsements; that the borrower who is required to purchase insurance be given a full statement showing the kind and amount of coverage and the cost; the borrower must be permitted to choose his agent and company; policies must be written for the full term for which the premium is charged; policies are limited to \$200 monthly indemnity, with the further limitations that monthly benefits may not "exceed the amount of the monthly payment on the loan;" loan companies no longer will be allowed to require life or A. & H. on a loan where automobile fire, theft, comprehensive or collision coverage also is issued; the borrower must be repaid the unearned premium when a policy is cancelled by the company before expiration; policy writing fees are limited to 35 cents per policy, and in life policies, the amount of insurance cannot exceed the amount of the loan.

The regulations provide that the commissioner may revoke the license of any agent or company which "wilfully" violates any one of the regulations, and Mr. Cheek warned that "a request by any company for the issuance of an agent's license for a person known by that company to have violated any of the provisions of these rules will be deemed a wilful violation of these rules by the company itself."

Issuance of the regulations followed a series of conferences and public hearings held earlier this year at which insurance and finance companies were represented. The matter was opened after the department had received complaints from borrowers that they were being required to carry more insurance

than actually was needed to provide security for loans. At the hearings finance companies contended they needed the insurance premiums to help compensate for the fact that in North Carolina the loan interest rate is limited to 6%, which they said was insufficient.

Hear Effects of Liquor

Chicago Home Office Underwriters at a dinner meeting heard Chicago representatives of three inspection bureaus discuss the effect of chronic drinkers on underwriting.

Speakers were William Dowd, manager for Retail Credit Co., who spoke on "Alcoholics—Social and Addicts"; Phil Walsh, regional sales manager, Hooper-Holmes Bureau, who talked on "How Does the Alcoholic React?" and Lee Parker, president American Service Bureau, whose topic was "Defense of Inspectors."

Sinclair Oil Building Lease

Sinclair Oil will lease for 21 years eight floors of the 26-story building being erected by Massachusetts Mutual at Fifth Avenue and 48th Street in New York City. The rental is estimated at \$16 million. The building will be known as the Sinclair Oil building rather than 600 Fifth Avenue as ex-

pected. The oil company has been housed in the adjoining Rockefeller Center. Massachusetts Mutual officers attending a luncheon in New York City's Union League Club marking the end of negotiations included President L. J. Kalmbach, Vice-president Homer N. Chapin, Second Vice-president J. Truman Streng, and George A. Craig, superintendent of real estate, and R. G. Kraft, superintendent of construction.

Raise Taxability Question

In connection with an article on business life insurance by Fred L. Gibson, Penn Mutual, Billings, Mont., in THE NATIONAL UNDERWRITER for July 14, James J. Stewart, Northwestern Mutual, St. Cloud, Minn., makes the point that the transfer of individual policies so as to use them for partnership life insurance would involve the income tax liability on the profits in the proceeds at death, since this would be held to be a transfer for a valuable consideration. The case involved two partners, each of whom owned a policy on his own life. Mr. Gibson said that he "transferred ownership of their policies."

Edward J. Mintz, New York Life, Salinas, Cal., also brought up the tax angle in Mr. Gibson's article.

No Worries
... Weight
Well Distributed



American United is a well-built, substantial company with assets of over 80 million dollars: enough financial "avoirdupois" to permit a wide, safe diversification of investments. It has over 400 million dollars of insurance in force . . . is licensed to operate in 22 states. Big? Yes—among the top 10% of American life insurance companies. But small enough to escape the headaches of investing huge sums in a low-interest market. Small enough to operate with a human touch . . . and small enough to keep in close personal contact with agents and policyholders. We think our weight is well distributed. Just about right, in fact.



AMERICAN UNITED LIFE INSURANCE COMPANY

HOME OFFICE, FALL CREEK PARKWAY AT MERIDIAN ST.

INDIANAPOLIS, INDIANA

Revenue Bureau Revokes "30% Rule" On Pension Plans

WASHINGTON—In view of acquiescence of the internal revenue commissioner in the decision in the Volcken case, the commissioner has reconsidered the problem and announced revocation of the I.T. 3674, the "30% rule" used in determining whether a pension or profit-sharing plan meets requirements of section 165 (a), internal revenue code, also I.T. 3675 and I.T. 3676, both of which exemplify application of that rule.

However, the commissioner ruled that in order to qualify under the section eligibility requirements of a plan must not discriminate in favor of employees who are shareholders, and such a plan must not amount to a subterfuge for distribution of profits to shareholders.

I.T. 3674 held that a plan shall not generally be considered to be for the benefit of shareholders if contributions required to provide employees' benefits for employees, each of whom owns over 10% of the corporation's voting stock, do not exceed 30% of contributions for all participants under the plan.

Must Still Meet Standards

Reiterating that a qualified plan under section 165 (a) must benefit employees generally, the commissioner called attention to section 29-165-1 (a), regulations 111, which bans qualifying of subterfuge plans not for exclusive benefit of employees. The ruling adds:

"Furthermore, the plan must benefit either the percentage of employees set forth in subparagraph (a) of section 165 (a) (3) of the code, or such employees as qualify under a classification set up by the employer and found by the commissioner not to be discriminatory in favor of employees who are shareholders. Accordingly, if a plan fails to qualify under the percentage requirements of section 165 (a)(3)(a) of the code, and such plan covers employees who are shareholders, the eligibility conditions of the plan will be subject to a determination by the commissioner as to whether such plan is discriminatory in favor of the employee shareholder.

Seale Visits West Coast

H. O. Seale, Jr., who was recently appointed Manhattan Life's director of agencies, will return to the west coast Aug. 15 and remain until early October. He was formerly superintendent of

agencies of the western division.

He will visit agencies on the west coast prior to departing for the 100th anniversary agency conference in San Antonio Oct. 16-21.

Order Rescission of Policy with Stock Feature

Texas court of civil appeals has affirmed a judgement of the lower court, directing United Bankers Mutual Life to return to the plaintiff policyholders the money they put up for insurance plus an option to purchase stock in a company that the promoters claimed would be set up to take over the mutual company.

The court found that the agents of the company engaged in fraudulent representations and the jury found that the company acquiesced in this. The court said that a cause of action to rescind an insurance contract is one of equity and if this suit had been for the rescission of an insurance contract alone, it might have been filed too late, but the contract was merely incidental to the contract to purchase stock and was interrelated with that.

Hunter Jones, witness for the plaintiffs, testified that the provisions of the policy are so unusual that it is difficult to interpret them. In answer to a question he said that such a policy as was here found had no counterpart among the 400 reputable companies whose contracts are charted in the Unique Manual Digest. He said there is no name in his vocabulary for the contract at issue. He testified that for the same amount of money a person would be able to secure from the average company a 20-year paid-up policy for twice the amount of insurance and at least \$5,000 more cash value than the policy here involved.

Contract Was S. P. I. P.

The case was United Bankers Mutual vs. Clemons et al. The contracts were designated as "Special Patrons Investment Policies." The plaintiffs were Barney C. Clemons, Roy Harrison King, Albert Adolph Brockriede, William Henry Moeller, Carl Herman Moeller, and Lorenz H. Klinkerman. The purchases were all made in Wichita county.

D. J. Wilmon is president of the company and testified that he was getting \$18,000 a year salary from the company, that it was paying its agents 75% of the premium, that at the end of 1940 it had insurance in force at \$3½ million.

There was a contract giving the policyholder one vote for each \$500 of

insurance and providing that if the company is converted into a stock company the policyholder shall have the right to purchase a maximum of 10 shares for each \$1,000 of insurance at \$20 per share.

The plaintiffs testified that they were told that this was going to be converted into a stock company not later than the spring of 1940, that the value of the stock at the time of purchasing the contract was \$30 a share and that by the spring of 1940 it would be worth \$60, but they could get it for \$20.

Wanted Only the Stock

The plaintiffs said they weren't interested in insurance but took the insurance because they were told that they could not buy the stock without it.

It was found that the agents represented to these persons that all arrangements had been made to convert into a stock company on or before the spring of 1940, but the only way the stock could be purchased was to get the insurance, that the value of the stock was \$30 per share and would be worth \$58 per share, that \$1,250 of the purchase price on premiums could be used for the purchase of stock, that the policy was the cheapest insurance that could be purchased. It was found that Willmon had knowledge of such representations, acquiesced therein and consented to the representations that were made and ratified them.

J. D. McBride was one of the agents.

U. S. Chamber Insurance Group Has Full Card

WASHINGTON—The semi-annual meeting of the U. S. Chamber of Commerce insurance committee has been called for Sept. 6 at the Waldorf-Astoria Hotel, New York.

Under a 12-point program the committee will discuss and seek answer to problems the insurance business may be called upon to face in event of general war mobilization. These include: Shift from industrial to war production, allocation of materials, price and wage controls, rationing, manpower mobilization, large scale federal deficit financing, heavy tax increases.

Besides opening remarks by the chairman and a report from Manager A. L. Kirkpatrick of the chamber's insurance department, the agenda of the meeting calls for submission of reports on changes in the social security law; proposed study of social security under a Senate resolution; another Senate study of voluntary health plans and the chamber's plans for cooperation therewith.

The chamber's joint committee on medical care will present a recommendation for holding an educational conference on state temporary disability laws within the next several months, probably in some middle western city, for the purpose of bringing to attention of businessmen the issues involved in this question.

Federal trade commission activities will be subject of another report, dealing with operation of the mail order industry trade practice rules, and investigations of the ocean marine and inland marine businesses.

A staff report, as revised by a subcommittee named last spring, on state regulation will be presented to the full committee for further consideration. Another subcommittee report will deal with business support of private enterprise.

The new rural fire prevention contest carried on by the national fire waste council will be reported on.

Other subjects scheduled for discussion are:

"What can the chamber and the insurance business do to increase and improve the use of insured pension plans to support the broader over-all program of worker security?"

"How can the insurance business assist in selling the American private enterprise system of the American way of life."

COMPANIES ACT

Liberal Treatment Assured Employees Entering Services

HARTFORD—Local companies are treating liberally any employees who enter the armed services. Some companies will make up the difference between service pay and company pay. Group life plans will be continued and pension rights maintained.

Some companies have yet to make official decisions on the subject, but generally speaking policies will be similar to those followed during World War II.

Connecticut General Life is continuing in force group life of all employees going into service up to a maximum of \$5,000. Group hospitalization and surgical services for dependents of employees also will be maintained. Employee pension benefits will continue to accrue.

To provide for contingencies incidental to quick separation from the company in call to service, special payments will be made to employees ranging from one-half to three months' salary. In addition Connecticut General will make family allowances in cases where the head of the family is called to service. The amount will be determined on the rate of service pay and earnings from the company up to \$375 a month.

Aetna's Plan

Aetna Life will give employees a separation allowance ranging from one-half month to three months of earnings, based on length of service. Group life will be continued and hospitalization and surgical care for dependents of employees will be kept in force.

Connecticut Mutual Life will give employees separation allowances when called. These will range from one to three months' pay. Call to service will not affect the pension plan and group life will be continued in force about one year.

Phoenix Mutual Life is revising its service policy and plans to continue its World War II policies with some liberalizations.

Travelers will pursue its World War II plan, which includes a gift to employees on their separation with an accompanying letter assuring all called that they will be welcomed back to the employ of the company.

All companies insure employees of their reemployment upon return in their former jobs or a job equivalent.

FRATERNALS

Fidelity Assn. Outings

Top producers of Fidelity Life Assn. enjoyed an all expense-paid cruise on the St. Lawrence River. Members of the group journeyed to Montreal by rail, then went on the Montreal-Quebec and Saguenay river cruise. A number of stops and side trips were made, including a stop-over at the Chateau Frontenac, Quebec. Members of the Builder's Club of the association were awarded a week at Alpine Lodge, Egg Harbor, Wis.

J. J. Fiedler Dead at 80

Joseph J. Fiedler, Sr., 80, before his retirement in 1947 an official of Catholic Knights of Wisconsin for 35 years, died at a Milwaukee hospital after a long illness. A former attorney of Milwaukee, Wis., Mr. Fiedler became a director of the life fraternal in 1912, president in 1917, and secretary and business manager with offices in Milwaukee in 1940.

The Royal Clan, Order of Scottish Clans, of Boston, has been licensed to handle life and A. & H. in Ontario.

PERTINENT STATISTICS

ASSETS	Over \$117,000,000
INSURANCE IN FORCE	Over \$510,000,000
BENEFITS PAID SINCE 1902	Over \$ 53,000,000

AID ASSOCIATION FOR LUTHERANS

Legal Reserve Fraternal Life Insurance

Exclusively for Synodical Conference Lutherans

Home Office: APPLETON, WISCONSIN

Says
Only

LOS ANGELES—The stock market could not give the shareholders of Lazard the price they wanted for the California plan for mutual Life. Mr. Het-

Mr. Het- under cro Walker, att holders of and Paul I. of non-canc Pointing for old-com their invest than a cashin money in c ger said: "a return of they cashed tain stock will be paid interest."

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Says Pacific Mutual Mutualization Is Only Way to Keep Going and Pay Owners

LOS ANGELES — Mutualization would be the only way that operations could continue and at the same time give the shareholders a full return on their investment, Albert J. Hettinger of Lazard Freres & Co., a member of the price-determining committee, testified at the hearing conducted by the California department on the proposed plan for mutualization of Pacific Mutual Life. Mr. Hettinger testified Monday.

Mr. Hettinger made the statement under cross-examination by Irving Walker, attorney for a group of stockholders of the predecessor company, and Paul Iverson, attorney for a group of non-cancellable policyholders.

Pointing out that it would be better for old-company shareholders to keep their investment in the company rather than cashing in and re-investing the money in other securities, Mr. Hettinger said: "At the most they would get a return of 60 cents on the dollar if they cashed in now. But if they maintain stock under mutualization, they will be paid off in full in 1973 at 3 1/4% interest."

Yield More than U. S. Bonds

He cited the fact that Pacific Mutual stock would return more than government bonds.

Under the mutualization plan, the company would be turned over to the life policyholders after claims are paid. Shareholders ask that it be returned to them when it is able to function.

Mr. Iverson questioned him relative to the long term, low-interest notes to be given to the non-can policyholders under the refinancing plan, and he expressed the opinion the policyholder who would accept the notes was not sure of getting the face of the note, and also that such notes would be the last thing he would advise investing in.

A. J. McAndless, president of Lincoln National, and chairman of the price determining committee, at the second day of the hearing testified as to his identity, qualifications and those of Ray Murphy, executive vice-president Equitable Society, also a member of the committee, who was not present, and then gave a detailed account of the committee's activities from 1947 to filing of the report April 4, in connection with determining the value of the stock. In this account he made an estimate of 25 years from 1948 for complete restoration of non-can policy benefits. He outlined the reasons for determining \$3 million as the value of the stock, and the reasons for fixing the cost of restoration at \$22 million.

Cross-examined by Mr. Walker on correspondence between the shareholders and the price determination committees, in which the shareholders committee sought to show the mutualization plan was not fair to all interested, Mr. McAndless maintained that the plan was fair.

Commissioner Butler of Texas questioned Mr. McAndless on the 25-year estimate for restoration and asked if he knew of any plan whereby restoration could be accomplished at the present time. Mr. McAndless replied he knew of no plan, but that the 25-year period could be shortened if the company continued to progress.

"Why Mutualize?"

Mr. Butler was insistent in his desire to know why the company sought to mutualize, and Mr. McAndless replied it was not uncommon for stock companies to take such action, and cited instances with dates of mutualization.

Mr. Butler raised the question as to whether immediate restoration of non-can benefits would cost more than if restored under the price committee mutualization plan, and was promptly told it would.

Pacific Mutual Tuesday concluded its presentation of evidence with the testi-

mony of H. Kenneth Cassidy, general agent for the company in San Francisco and chairman of the Pacific Mutual general agents association mutualization committee. The non-can policyholders committee began its testimony in opposition to approval of the plan by calling Dr. Harry A. Goodman, chairman of the committee, to the stand.

Cassidy's Views

Mr. Cassidy said the general agents were opposed to the refinancing plan of the stockholders protective committee and were unanimous in their support of the plan now under consideration. He made the point that Commissioner Carpenter in the rehabilitation agreement had been careful and leaned over backwards in favor of the stockholders of the old company.

Dr. Goodman read into the record a statement setting forth reasons why the non-can policyholders were opposed to the present plan and advocating that other insurance companies be given an opportunity to purchase Pacific Mutual.

Logical Course for Nonhoarders Is Life Policies and Savings Bonds

The completely logical course of action for patriotic people who continue to buy normally and refuse to indulge in panic buying will be to put their money into savings bonds and life insurance, George Willard Smith, president of New England Mutual, stated in a midyear letter to each of his company's agents.

He forecast that the period ahead will be one of intense activity and will give great impetus to the efforts of life insurance representatives. Many people throughout the country are face to face with a need for protection, with providing guarantees of future incomes to dependents and with the possibilities of abrupt changes in family life.

Mr. Smith pointed out that the greatest danger is runaway inflation induced by the panicky buying of thoughtless people, despite the fact there is practically no commodity in short supply.

Prudential Gets 7-Ton Piece Of Rock of Gibraltar

A seven-ton section of the Rock of Gibraltar was recently presented by the British government to Prudential. The segment, believed to be the largest ever exported, will be shipped by rail from New York to Toronto as a feature at the Canadian national exhibition. It will remain on display till Sept. 9, after which it will be made a permanent display in Prudential's new Canadian head office in Toronto. It was received in New York with appropriate ceremonies in which Valentine Howell, executive vice-president and actuary of Prudential, and Robert M. Green, vice-president in charge of Canadian operations, participated.

Enters Minn., Ky. and N. D.

Republic National Life has been licensed in Minnesota, Kentucky, and North Dakota, bringing its field to 11 states. Entry in at least three or four more states is expected soon.

The Hosinger & Bode Agency Corp., which represents Guardian Life on Long Island, has appointed Herbert Geist manager of its insurance department. He will develop a full time life organization in addition to business from brokerage firms.

William B. Hardy, New England Mutual, Cincinnati, was given a luncheon by Guy D. Randolph, general agent, on his 15th anniversary with the company.

Mr. Hardy led the company's field in July with over \$300,000 paid for, all estate planning and business insurance.

Austin Club Hears Ricks

Austin Life Managers Club heard Statham S. Ricks, Southwestern Life

agency supervisor, discuss the problems of training the new man and setting him to work in the field. He stated that the tendency has been to confuse education and training. Training he pointed out, is the development of greater skill in the use of knowledge, while education is the developing of capacity.

STIMULATE YOUR AGENTS

FOR SALE

1.—A DISTINGUISHED TITLE for your Life Agents with an Emblem of Quality and individuality equal to or superior to any other in the field today.

2.—"MILLIONAIRES' SALES KIT". STREAMLINED. Condensed in 16 pages that can be seen, read and understood in 1 hour's time complete. With formula that produced 1 million dollars paid business in 1 year at \$50.00 per thousand premiums and same plan that increased one of the world's largest agencies from \$850,000.00 monthly production to over \$2 million monthly in 14 months time, \$50.00 per \$1,000.00, and made millionaire producers, and how your Agents can do the same.

Plan will pay for itself promptly. Will increase small producers \$100,000.00 yearly and make 1/2 million \$ producers of \$250,000.00 men and millionaire producers of 1/2 million \$ men.

Based on 25 years' international experience as Agent and Agency Manager — one of world's largest companies.

Write B-28

c/o National Underwriter,
175 W. Jackson Blvd.,
Chicago 4, Illinois

THIS YEAR INDIANAPOLIS LIFE HAS

26

National Quality Award Winners

...NINE 5-YEAR WINNERS

In making these awards the National Association of Life Underwriters and the Life Insurance Agency Management Association stress QUALITY . . . in underwriters, in paid-for-business, in service. Quality, too, has been our key-word, since organization in 1905. Agents are trained on that basis. Assets of over \$63,000,000 are in quality investments and there's over \$230,000,000 of quality insurance in force. There's all this, plus our constant effort to extend quality service to agents and policyholders alike.

AGENCY OPPORTUNITIES IN Illinois, Indiana, Iowa, Ohio, Michigan, Minnesota, Texas

INDIANAPOLIS LIFE

INSURANCE COMPANY

Mutual—Established 1905

INDIANAPOLIS 7, INDIANA

"Result" Clause Is OK'd by NAIC Committee

(CONTINUED FROM PAGE 1)

of insured mortality in the second world war indicated that if all war losses, including the additional amount to pay all war claims in full were included, the resulting mortality would closely approxi-

mate that of pre-war years, nevertheless, this might not necessarily be a criterion as to prospective results in future wars. Under the circumstances, the committee believes that the companies should be permitted to take all steps necessary to guard against possible future adverse experience, but feels these steps should be kept within reasonable and justifiable limits.

As to when war clauses should be attached to new policies, the committee states that in view of the many imponderables related to the determination of experience as a result of a major war, it is necessary to let management decide when to attach war clauses.

The report mentions it is recognized that the laws of practically all states now permit war clauses but that some states have interpreted the law so as to require reconsideration of their use, even if previously approved, and most of these clauses have been nullified since the second world war.

Company Hopes to Avoid War Clause

(CONTINUED FROM PAGE 4)

discussed the latest plans for the centennial celebration.

A panel discussion was held on sales ideas based on department activities. Participating were R. J. Ardison, superintendent of agencies; Louis Levinson, associate actuary; F. A. Conerton, superintendent of group sales; J. F. Handy, general counsel; E. J. Stephens, agency assistant; F. E. Emery, assistant secretary; M. M. Marchese, underwriting secretary, and J. L. Marchese, assistant secretary.

An organized activity panel featured Ewing Carruthers, Memphis; J. M. Russon, Los Angeles; D. F. Lau, Detroit, and J. E. Mann, Albany.

A panel on prospecting for today's market included A. M. Palmer, Miami; N. S. Bienstock, New York; A. R. Coffman, Philadelphia; Clarence E. Pejeau, Cleveland, and William W. Ray, Richmond.

A panel entitled "It Sells for Me" included T. L. O'Brien, Washington; H. Martin Nunnelley, Nashville; A. J. Nussbaum, Milwaukee; M. J. McNally, Minneapolis, and J. B. Ingram, Jr., Greensboro, N. C.

T. M. Green, Oklahoma City, president of the agents association; W. F. Hughes, Memphis; R. J. Katz, Rochester, and W. R. Robertson, Boston, were chairmen for the various sessions.

Insurance Men Are Put on Sawyer's Essential List

(CONTINUED FROM PAGE 1)

national health, safety or interest, and it is established after consideration of request for deferment that the man complies with criteria 1 or 2 above, "and that there are unique circumstances surrounding the member's employment or work which give him essential knowledge or experience not possessed by any available replacement possessing the same skill."

National Guard service deferment may be asked for its members either through their commanding officers or direct of the state adjutant general. All deferments are subject to cancellation.

Underwriters Are Shifting to Greater Conservatism

(CONTINUED FROM PAGE 1)

lic as by agents.

One company that applied war clauses only on policies issued to men in service or alerted for it had receipts up 53% over last year. Discounted for normal increase and production attributed to a convention qualification business, about half of that was credited to the war clause scare.

Although admitting the difficulty of

Results for First Six Months Given

	New Bus. 1950	New Bus. 1949	1950 Inc. in Force	1949 Inc. in Force
Commonwealth Life	\$ 40,621,497	\$ 42,546,164	\$ 17,706,018	\$ 19,782,277
Indianapolis Life	15,389,980	13,835,816	7,915,593	7,032,372
Liberty Life	49,514,396	48,165,907	16,034,993	12,879,144
Mutual Trust Life	18,887,468	18,085,468	9,926,281	10,571,243
North American Reassur.	45,071,700	43,590,200	12,450,600	11,526,104
Occidental Life	286,292,946	201,963,321	219,291,082	117,279,752
United States Life	114,104,909	24,317,808	103,275,458	14,987,488
Washington National	57,475,502	60,344,746	15,792,281	15,454,373

tight control by regulated underwriting, some companies continued to try to restrict amounts issued to what in the underwriters' estimation the applicant would normally take. A company would issue, for example, only \$10,000 of a requested \$25,000 on a 20-year old boy.

Home office underwriters said that their regulations were to be regarded as temporary and subject to change, perhaps with the next day's headlines. At the same time there is a growing hope that the war clause situation will soon stabilize. The consensus is that industry-wide uniformity is desirable and would be beneficial. It may only come, however, through joint action by commissioners and companies, and in some states it will require legislation.

HARRIS O.K.s WAR CLAUSE

ST. PAUL — Commissioner Harris has indicated he will approve attachment of "result of war" clauses. However, he said he would not approve "status" clauses which would give similar exemption for deaths of insured military personnel due to other than war causes while outside the domestic area. Any company so desiring may issue policies without the war clause.

Committee Report Backs Free Armed-Forces Cover

(CONTINUED FROM PAGE 1)

make the same mistake it did at the beginning of the last war when, he said, "the committee was bypassed to the detriment of the services."

Rankin referred to the fact that legislation for NSLI first appeared in a conference report on some other measures and was enacted without hearings or adequate considerations, as brought out in the Hardy investigation.

Pass Actuary Exams

Fourteen members of the life actuarial department of Travelers and one member of the group department passed the recent exams of Society of Actuaries. Three Aetna Life employees became associates and twelve others from that company passed one or more of the exams.

OBSERVATIONS

Three \$1 Million Cases

Three cases for \$1 million have been written on prominent New Yorkers in the past few weeks, a development which created considerable gossip in production circles there. Two of the \$1 million cases were written on partners and were originated by one producer. About 10 companies get a piece of a line that big. A case of that size hadn't turned up in the brokerage market since early this year. Brokerage supervisors are the first to hear of jumbo cases because it takes the combined retentions of many companies to carry the liability.

Civil Relief Act Still in Force

One explanation of why so many men who are imminently liable for service in the armed forces are loading up with life insurance in spite of the extra premium burden may be that if they purchase policies without military service restrictions they are entitled to the protection of the soldiers and sailors civil relief act for policies with a face amount of not more than \$10,000.

In spite of the termination provisions of the civil relief act of 1940 providing

for a terminal date to the protection, and of Senate joint resolution 121 which set a termination date six months from July 25, 1947, the selective service act of 1948 includes all the provisions of the civil relief act of 1940, including specifically the insurance protection provisions. This reinstatement has been continued in force by subsequent extensions of the selective service act, the last one extending the law for another year, until Jan. 9, 1951.

A big difference between today's situation and that prevailing before and in the early days of the second world war is that the civil relief act now contains a provision making the service man liable for any premiums advanced to the insurance company over and above the policy's cash value.

Look for Insurance Needs

Until recently the burden of dependency on the productive population had been decreasing continuously for about a century according to a Metropolitan Life statistical bulletin. A century ago there were 113 persons under age 18 or over 65 to every 100 men and women between age 20 and age 64. The ratio dropped steadily to a minimum of 60 around 1942 and since then has reversed itself, now being 68 per 100.

The part of the dependent population over age 65 has been increasing. The proportion of children is undergoing a temporary increase because of the war. This spurt will wear itself out by about 1960 but the proportion at older ages will continue with long term upward trend.

A conclusion drawn by at least one producer from the question of dependency of aged persons on their children is that this fact should be discovered in determining the insurance needs of persons supporting an aged parent or parents. A man in his 40s may be contributing to the support of a mother or father as well as maintaining his own family. An insurance need for the provision of financial assistance for the dependent aged should at least be pointed out to the man who is supporting them.

More Ground for Receipt Plan

The latest buyer survey of L.I.A.M.A. shows another reason why companies are interested in expanding the use of the premium receipt on request procedure. Compared with the 1942 buyer today's adult buyer of ordinary tends to pay his premiums more times per year. Average number of premiums a year for those buying from the ordinary agent in 1949 increased from 3.1 to 3.7 in the last seven years. There has been a decline in the proportion of policies paid for semi-annually and a corresponding increase in the proportion paid for quarterly and monthly. The increased handling of checks contributes to the cost of handling premiums.

Hospital Admissions Plans

Group casualty men don't believe that the hospital admissions plans being installed in different cities is the best for every type case. Instead of using that plan in one city where an insured has only a few employees at least one company provides an identification card on the reverse side of which is authorization for the hospital to send the insured a collect telegram where they need immediate information on the policy benefits of a patient. The city wide plan works out very well in the majority of cases, especially where there are many group employees covered in one city. The admission plans will probably be placed in operation in many more cities.

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It's wonderful what life insurance can do, when a husband is as thoughtful and unselfish as Dick."

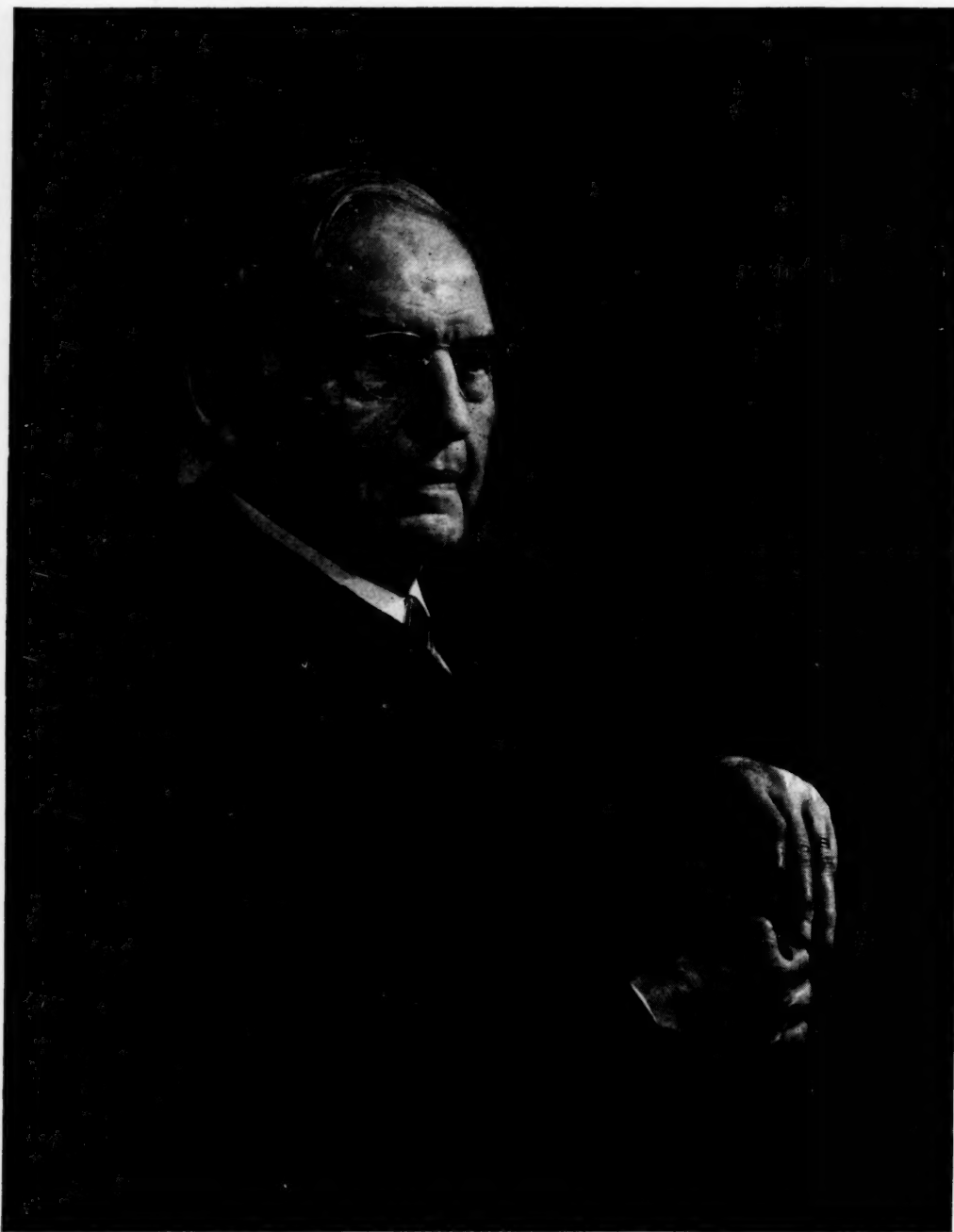


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*A statement of special interest
to young married couples*

by **HON. MARVIN B. ROSENBERG**

*Chief Justice, Retired
Wisconsin Supreme Court*

AS lawyer and judge I have been dealing with human problems for nearly three generations. And among the most distressing is the breaking-up of families by divorce.

"The causes of unhappy marriages, of course, are varied. But I have noticed in many cases there is an underlying feeling of *insecurity* due to lack of planning in money matters.

"Pathetically enough, this so many times might easily have been avoided. Wiser handling of the family income and sound planning for the future through life insurance would have created the needed sense of security.

"Whenever I have the opportunity to advise young couples, I like to emphasize this: for success in marriage, form the habit of thinking in terms of *security*. Plan your finances together... and with competent advice. Start on a program of life insurance early—then keep it active and growing as you go along."

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